# HTF Politics DA

## Notes Page

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#### Link cards for this disadvantage (the evidence that says the plan is unpopular or controversial) are located in the individual case negatives.

### 1nc

#### A compromise on the Highway Trust Fund is coming – it would raise the gas tax and stave off transportation collapse

Jones 6-19

[Kevin. Staff Writer for Overdrive. “Fuel tax hike proposed in Senate to shore up highway funding” 6/19/14 <http://www.overdriveonline.com/fuel-tax-hike-proposed-in-senate-to-shore-up-highway-funding/> ]

A proposal in the Senate is pursing the oft-cited and trucking-backed solution for shoring up the Highway Trust Fund: an increase in the tax on diesel and gasoline at the pump. ¶ The proposal by Sens. Bob Corker of Tennessee and Chris Murphy of Connecticut would raise the fuel tax six cents a year over two years, then index the tax to inflation. The federal fuel tax has not been raised since 1993, and since then the revenue it generates has lost nearly half its buying power.¶ “For too long, Congress has shied away from taking serious action to update our country’s aging infrastructure,” says Murphy. “We’re currently facing a transportation crisis that will only get worse if we don’t take bold action to fund the Highway Trust Fund. I know raising the gas tax isn’t an easy choice, but we’re not elected to make easy decisions – we’re elected to make the hard ones.”¶ To offset the revenue raised from increasing the fuel tax, Murphy and Corker propose providing net tax relief for American families and businesses. An example would be extending some of the tax provisions in the “tax extenders” bill that already have broad, bipartisan support, creating potentially billions of dollars in permanent tax relief over the next 10 years alone, the senators suggest.¶ “Growing up in Tennessee as a conservative, I learned that if something was important enough to have, it was important enough to pay for,” says Corker. “In Washington, far too often, we huff and puff about paying for proposals that are unpopular, yet throw future generations under the bus when public pressure mounts on popular proposals that have broad support. Congress should be embarrassed that it has played chicken with the Highway Trust Fund and allowed it to become one of the largest budgeting failures in the federal government.”¶ A number of business, labor and construction groups have already lined up in support of the Murphy-Corker proposal.¶ American Trucking Associations officials praised the plan because it preserves the “user pays” principle.¶ “We have long said that the fuel tax is the fairest, most efficient way to fund our nation’s infrastructure and this practical, bipartisan proposal put forward by Sens. Murphy and Corker would put the Highway Trust Fund on the path to solvency and provide the revenues we need to maintain a 21st Century transportation network,” says ATA President and CEO Bill Graves.¶ Likewise, the Alliance for Toll-Free Interstates credited Murphy and Corker for proposing a transportation funding solution that does not include tolling existing interstates.¶ And NATSO, the national association representing truckstops and travel plazas, also applauded the proposal.

#### < Link >

#### But *time* and *an atmosphere of cooperation* are key – the plan’s controversial nature interrupts both of these things

Sanchez 6-10

[Humberto. Politics for Roll Call. “Senate Democrats Have Full Agenda Ahead” *Roll Call*, 6/10/14 ln]

There are just seven legislative weeks left before the August recess.¶ A new highway bill tops the list of must-pass items wanted by both parties, but it may also be the most vexing because lawmakers have yet to agree on how to pay for roads, bridges and other transportation items in a time when gas tax revenues are under pressure from rising vehicle mileage standards.¶ Congress must act before the end of the summer when the highway trust fund runs out of money.¶ Senate Finance Chairman Ron Wyden, D-Ore., has said he is “pulling out all the stops to find a funding solution to keep the Highway Trust Fund solvent” and wants to find a consensus by the end of the month.¶ A short-term extension may be needed, a Democratic aide said.¶ The Senate also is expected to start considering appropriations bills next week — more must-pass items.¶ Senate Appropriations Chairwoman Barbara A. Mikulski, D-Md., has said she may seek to package a few spending bills together to save time.¶ But appropriations bills will face the usual tussle with Republicans over amendments — as Democrats look to protect vulnerable senators before the elections.¶ “They don’t want to have votes that expose their members to tough political issues,” said Republican Conference Chairman John Thune of South Dakota.¶ “I think Sen. Reid will continue what he’s been doing procedurally,” Thune continued. “But then, you know, we are always hopeful.”¶ A lot of issues are looking for fast-shrinking floor time.

#### Transportation collapse *grinds American progress to a halt* and undermines *every other sector* of the economy

ASCE ‘11

[The American Society of Civil Engineers – a report prepared by the Economic Development Research Group, which focuses on evaluating economic development performance and opportunities. The group is comprised of economists and planners who specialize in transportation engineering. “Failure to Act: The Economic Impact of Current Investment Trends in Surface Transportation Infrastructure” American Society of Civil Engineers Report, Summer 2011. http://www.asce.org/uploadedFiles/Infrastructure/Report\_Card/ASCE-FailureToActFinal.pdf]

The nation’s surface transportation infrastructure includes the critical highways, bridges, ¶ railroads, and transit systems that enable people ¶ and goods to access the markets, services, and ¶ inputs of production essential to America’s ¶ economic vitality. For many years, the nation’s ¶ surface transportation infrastructure has been ¶ deteriorating. Yet because this deterioration has ¶ been diffused throughout the nation, and has ¶ occurred gradually over time, its true costs and ¶ economic impacts are not always immediately ¶ apparent. In practice, the transportation funding that is appropriated is spent on a mixture ¶ of system expansion and preservation projects. ¶ Although these allocations have often been sufficient to avoid the imminent failure of key ¶ facilities, the continued deterioration leaves a ¶ significant and mounting burden on the U.S. ¶ economy. This burden will be explored further ¶ in this report.¶ Deteriorating conditions and performance ¶ impose costs on American households and businesses in a number of ways. Facilities in poor ¶ condition lead to increases in operating costs for ¶ trucks, cars, and rail vehicles. Additional costs ¶ include damage to vehicles from deteriorated ¶ roadway surfaces, imposition of both additional ¶ miles traveled, time expended to avoid unusable or heavily congested roadways or due to the ¶ breakdown of transit vehicles, and the added cost ¶ of repairing facilities after they have deteriorated ¶ as opposed to preserving them in good condition. In addition, increased congestion decreases ¶ the reliability of transportation facilities, meaning that travelers are forced to allot more time for ¶ trips to assure on-time arrivals (and for freight ¶ vehicles, on-time delivery). Moreover, it increases ¶ environmental and safety costs by exposing more ¶ travelers to substandard travel conditions and ¶ requiring vehicles to operate at less efficient levels. As conditions continue to deteriorate over ¶ time, they will increasingly detract from the ability of American households and businesses to be ¶ productive and prosperous at work and at home. ¶ This report is about the effect that surface ¶ transportation deficiencies have, and will ¶ continue to have, on U.S. economic performance. ¶ For the purpose of this report, the term “deficiency” is defined as the extent to which roads, ¶ bridges, and transit services fall below standards ¶ defined by the U.S. Department of Transportation as “minimum tolerable conditions” (for ¶ roads and bridges) and “state of good repair” for ¶ transit¶ . These standards are substantially lower ¶ than ideal conditions, such as “free-flow¶ 1¶ ,” t¶ hat ¶ are used by some researchers as the basis for ¶ highway analysis. This report is about the effect ¶ these deficiencies have, and will continue to ¶ have, on U.S. economic performance.¶ In 2010, it was estimated that deficiencies ¶ in America’s surface transportation systems ¶ cost households and businesses nearly $130 ¶ billion. This included approximately $97 billion ¶ in vehicle operating costs, $32 billion in travel ¶ time delays, $1.2 billion in safety costs and $590 ¶ million in environmental costs. ¶ In 2040, America’s projected infrastructure ¶ deficiencies in a trends extended scenario are ¶ expected to cost the national economy more than ¶ 400,000 jobs. Approximately 1.3 million more ¶ jobs could exist in key knowledge-based and ¶ technology-related economic sectors if sufficient ¶ transportation infrastructure were maintained. These losses are balanced against almost ¶ 900,000 additional jobs projected in traditionally lower-paying service sectors of the economy ¶ that would benefit by deficient transportation ¶ (such as auto repair services) or by declining ¶ productivity in domestic service related sectors ¶ (such as truck driving and retail trade).¶ If present trends continue, by 2020 the ¶ annual costs imposed on the U.S. economy by deteriorating infrastructure will increase by 82%¶ to $210 billion, and by 2040 the costs will have¶ increased by 351% to $520 billion (with cumulative¶ costs mounting to $912 billion and $2.9 trillion by¶ 2020 and 2040, respectively). Table 1 summarizes¶ the economic and societal costs of today’s deficiencies,¶ and¶ how¶ the¶ present¶ values¶ of¶ these¶ costs¶ are¶ expected¶ to¶ accumulate¶ by¶ 2040.¶ Table¶ 2¶ provides¶ a¶ summary¶ of¶ impacts¶ these¶ costs¶ have¶ on¶ economic¶ performance¶ today,¶ and¶ how¶ these¶ impacts¶ are¶ expected¶ to¶ increase¶ over¶ time.¶ Cost of DefiCienCies¶ Performance area in 2010 by 2020 by 2040¶ Pavement and Bridge Conditions $10 $58 $651¶ Highway Congestion $27 $276 $1,272¶ Rail Transit Conditions $41 $171 $370¶ Bus Transit Conditions $49 $398 $659¶ Inter-City Rail Conditions $2 $10 $20¶ totA¶ L Cost to sYsteM UseRs $130 $912 $2,972¶ \*Present value of cost stream in billions of constant 2010 Dollars¶ SOURCE EDR Group analysis using Transportation Economic Impact System (TREDIS), 2011 NOTE Totals may not add due to rounding.¶ table ¶ 1¶ 2¶ ¶ ★¶ The avoidable transportation costs that hinder¶ the nation’s economy are imposed primarily by¶ pavement and bridge conditions, highway congestion,¶ and¶ transit¶ and¶ train¶ vehicle¶ conditions¶ that¶ are¶ operating¶ well¶ below¶ minimum¶ tolerable¶ levels¶ for¶ the¶ level¶ of¶ traffic¶ they¶ carry.¶ If¶ the¶ nation’s¶ infrastructure¶ were¶ free¶ of¶ deficient¶ conditions¶ in¶ pavement,¶ bridges,¶ transit¶ vehicles,¶ and¶ track¶ and¶ transit¶ facilities,¶ Americans¶ would¶ earn¶ more¶ personal¶ income¶ and¶ industry¶ would¶ be¶ more¶ productive,¶ as¶ demonstrated¶ by¶ the¶ gross¶ domestic¶ product¶ (value¶ added)¶ that will be lost if surface transportation infrastructure is not brought up to a standard of “minimum ¶ tolerable conditions.” As of 2010, the loss of GDP ¶ approached $125 billion due to deficient surface ¶ transportation infrastructure. The expected losses ¶ in GDP and personal income through 2040 are displayed in Table 2.¶ Across the U.S., regions are affected differently ¶ by deficient and deteriorating infrastructure. The ¶ most affected regions are those with the largest ¶ concentrations of urban areas, because urban highways, bridges and transit systems are in worse ¶ condition today than rural facilities. Peak commuting patterns also place larger burdens on urban ¶ capacities. However, because the nation is so dependent on the Interstate Highway System, impacts ¶ on interstate performance in some regions or area ¶ types are felt throughout the nation. Nationally, ¶ for highways and transit, 630 million vehicle hours ¶ traveled were lost due to congestion in 2010. This ¶ total is expected to triple to 1.8 billion hours by 2020 ¶ and further increase to 6.2 billion hours in 2040.¶ ¶ These vehicle hours understate person hours and ¶ underscore the severity of the loss in productivity.¶ The specific economic implications of the ¶ further deterioration of the U.S. national surface ¶ transportation system are as follows:¶ ««¶ Deficient surface transportation infrastructure¶ will¶ cost¶ Americans¶ nearly¶ $3¶ trillion¶ by 2040, as shown in Table 1, which represents more than $1.1 trillion in added business ¶ expenses and nearly $1.9 trillion from household budgets. ¶ ««¶ This cost to business will reduce the¶ productivity and competitiveness of ¶ American firms relative to global competitors. ¶ Increased cumulative cost to businesses will ¶ reach $430 billion by 2020. Businesses will have ¶ to divert increasing portions of earned income ¶ to pay for transportation delays and vehicle ¶ repairs, draining money that would otherwise ¶ be invested in innovation and expansion. ¶ ««¶ Households will be forced to forgo discretionary¶ purchases such as vacations, cultural ¶ 3¶ events, educational opportunities, and restaurant meals, reduce health related purchases ¶ along with other expenditures that affect quality ¶ of life, in order to pay transportation costs that ¶ could be avoided if infrastructure were built to ¶ sufficient levels. Increased cumulative costs to ¶ households will be $482 billion in 2020. ¶ ««¶ The U.S. will lose jobs in high value, high-paying¶ services¶ and¶ manufacturing¶ industries. ¶ Overall, this will result in employee income in ¶ 2040 that is $252 billion less than would be the ¶ case in a transportation-sufficient economy. ¶ In general three distinct forces are projected to ¶ affect employment: First, a negative impact is due to larger costs ¶ of transportation services in terms of time ¶ expended and vehicle costs. These costs absorb ¶ money from businesses and households that ¶ would otherwise be directed to investment, ¶ innovation and “quality of life purchases.” ¶ Thus, not only will business and personal ¶ income be lower, but more of that income will ¶ need to be diverted to transportation related ¶ costs. This dynamic will create lower demand ¶ in key economic sectors associated with business investments for expansion and research ¶ and development, and in consumer sectors. Second, the impact of declining business ¶ productivity, due to inefficient surface ¶ transportation, tends to push up employment, even if income is declining. Productivity ¶ deteriorates¶ with¶ infrastructure¶ degradation, so¶ more¶ resources are wasted in each sector.¶ In other words,it may take two jobs to complete the tasks that one job could handle without delays due to worsening surface transportation infrastructure. Third, related to productivity effects, degrading surface transportation conditions will generate jobs to address problems created by worsening conditions in sectors such as transportation services and automobile repair services. Overall job losses are mitigated by more¶ people working for less money and less ¶ productively due to the diminished effectiveness of the U.S. surface transportation ¶ system. Recasting the 2020 and 2040 initial ¶ job impacts based on income and productivity ¶ lost reduces worker effectiveness by an additional 27% (another 234,000 jobs). By 2040, ¶ this drain on wages and productivity implies ¶ an additional 115% effect if income and productivity were stable (another 470,000 jobs). ¶ ««¶ By 2040 the cost of infrastructure deficiencies¶ are¶ expected¶ to¶ result¶ in¶ the¶ U.S.¶ losing¶ more than $72 billion in foreign exports in ¶ comparison with the level of exports from ¶ a transportation-sufficient U.S. economy. ¶ These exports are lost due to lost productivity ¶ and the higher costs of American goods and ¶ services, relative to competing product prices ¶ from around the globe.

#### Economic growth is a *causal variable* in maintaining global peace. Conflicts get more likely and escalate rapidly during prolonged periods of economic contraction.

Royal ‘10

[Jedediah, Director of Cooperative Threat Reduction at the U.S. Department of Defense, Economics of War and Peace: Economic, Legal, and Political Perspectives, pg 213-215]

Less intuitive is how periods of economic decline may increase the likelihood of external conflict. Political science literature has contributed a moderate degree of attention to the impact of economic decline and the security and defense behavior of interdependent states. Research in this vein has been considered at systemic, dyadic and national levels. Several notable contributions follow. First, on the systemic level, Pollins (2008) advances Modelski and Thompson’s (1996) work on leadership cycle theory, finding that rhythms in the global economy are associated with the rise and fall of a pre-eminent power and the oftenbloody transition from one pre-eminent leader to the next. As such, exogenous shocks such as economic crises could usher in a redistribution ofrelative power (see also Gilpin, 1981) that leads to uncertainty about power balances, increasing the risk of miscalculation (Fearon 1995). Alternatively, even a relatively certain redistribution of power could lead to a permissive environment for conflicts as a rising power may seek to challenge a declining power (Werner, 1999). Separately, Pollins (1996) also shows that global economic cycles combined with parallel leadership cycles impact the likelihood of conflict among major, medium and small powers, although he suggests that the causes and connections between global economic conditions and security conditions remains unknown. Second, on a dyadic level, Copeland’s (1996, 2000) theory of trade expectations suggest that “future expectation of trade” is a significant variable in understanding economic conditions and security behavior of states. He argues that interdependent states are likely to gain pacific benefits from trade so long as they have an optimistic view of future trade relations. However, if the expectations of future trade decline,particularly for difficult to replace item such as energy resources, the likelihood for conflict increases, as states will be inclined to use force to gain access to those resources. Crises could potentially be the trigger for decreased trade expectations either on its own or because ittriggers protectionist moves by interdependent states. Third, others have considered the link between economic decline and external armed conflict at a national level. Blomberg and Hess (2002) find a strong correlation between internal conflict and external conflict, particularly during periods of economic downturn. They write, The linkages between internal and external conflict and prosperity are strong and mutually reinforcing. Economic conflict tends to spawn internal conflict, which in turn returns the favor. Moreover, the presence of a recession tends to amplify the extent to which international and external conflicts self-reinforce each other. (Blomberg and Hess, 2002, p. 89) Economic decline has also been linked with an increase in the likelihood of terrorism (Blomberg, Hess and Weerapana, 2004), which has the capacity to spill across borders and lead to external tensions. Furthermore, crises generally reduce the popularity of a sitting government. “Diversionary theory” suggests that, when facing unpopularity arising from economic decline, sitting governments have increased incentives to fabricate external military conflicts to create a “rally around the flag” effect. Wang (1996), DeRouen (1995) and Blomberg, Hess and Thacker (2006) find supporting evidence showing that economic decline and use of force are at least indirectly correlated. Gelpi (1997), Miller (1999), and Kisangani and Pickering (2009) suggest that the tendency towards diversionary tactics are greater for democratic states than autocratic states due to the fact the democratic leaders are generally more susceptible to being removed from office due to lack of domestic support. De DeRouen (2000) has provided evidence showing that periods ofweak economic performance in the United States and thus weak Presidential popularity are statically linked to an increase in the use of force. In summary, recent economic scholarship positively correlates economic integration with an increase in the frequency of economic crises, whereas political science scholarship links economic decline with external conflict at systemic, dyadic and national levels. This implied connection between integration, crises and armed conflict has not featured prominently in economic-security debate and deserves more attention. This observation is not contradictory to other perspectives that link economic interdependence with a decrease in the likelihood of external conflict, such as those mentioned in the first paragraph of this chapter. Those studies tend to focus on dyadic interdependence instead of global interdependence and do not specifically consider the occurrence of and conditions created by economic crises. As such the view presented here should be considered ancillary to those views.

### 2nc UQ

#### Compromise on the HTF is coming – key to overall transportation infrastructure

Sanchez and Bowman 6-11

[Humberto and Bridget. Politics for RollCall. “Wyden Focused on Finding Bipartisan Funding for Highway Bill” *Roll Call*, 6/11/14 ln]

Senate Finance Committee Chairman Ron Wyden, D-Ore., is keeping his options open on how to fund a new highway bill in order to help foster a bipartisan solution.¶ “Nothing has been agreed to, nothing has been ruled out, nothing has been ruled in,” Wyden told reporters Tuesday. “And the way it’s going to work is by the end of today, early tomorrow morning, we’ll have a beat on what members of the Finance Committee want to do and then we’ll go from there.”¶ “There are no easy answers here,” Wyden continued. “Failure is not an option and we’re going to make decisions in a bipartisan way.” ¶ Wyden reiterated that he intends to have a bipartisan solution by the end of the month.¶ “The goal is still to get it out of Finance by the end of this work period,” he said.¶ His comments come as Congress must act to renew the highway bill before funding — which comes from gas tax receipts — effectively runs out as soon as next month.¶ Wyden stressed that failing to act would deal a harsh blow to the frail economy. The White House has warned that not putting a solution in place would delay about 112,000 roadway projects and 5,600 transit projects, and cost the economy as many as 700,000 construction jobs in the next year.¶ “In an economy this fragile, that’s why I said, failure is not an option,” Wyden said. “It is obviously a challenge when some senators are advocating short-term approaches, some senators are advocating long term approaches and some senators would like to do both. I’ve been very clear that I have not locked in to one particular route or another.”

#### Bipartisan compromise coming on the HTF

Tanner 6-19

[David. Staff Writer for Land Line. “Bipartisan proposal would increase fuel taxes to shore up Highway Trust Fund” *Land Line*, 6/19/14 <http://www.landlinemag.com/Story.aspx?StoryID=27215#.U6cDFrE7fyI> ]

A Republican and Democrat in the U.S. Senate are teaming up to promote a federal fuel-tax increase to pay for transportation. They say bold action is needed to shore up the Highway Trust Fund and prevent it from going broke.¶ Sen. Bob Corker, R-Tenn., and Sen. Chris Murphy, D-Conn., announced their intention to pursue a 6-cent increase to gas and diesel taxes in 2015 and another 6-cent increase in 2016 to a total of 12 cents. After that, federal fuel taxes would be indexed to keep up with the rate of inflation.¶ “In Washington, far too often, we huff and puff about paying for proposals that are unpopular, yet throw future generations under the bus when public pressure mounts on popular proposals that have broad support,” Corker said in a joint statement.¶ “Congress should be embarrassed that it has played chicken with the Highway Trust Fund and allowed it to become one of the largest budgeting failures in the federal government,” Corker said. “If Americans feel that having modern roads and bridges is important, then Congress should have the courage to pay for it.”¶ Murphy announced he would pursue a fuel-tax increase during a recent news conference in his home state about the need to repair and replace aging roads and bridges.¶ “By modestly raising the federal gas tax, we can address a crippling economic liability for this country – the inability to finance long-term improvements to our crumbling national infrastructure,” Murphy said in the joint statement.¶ “I know raising the gas tax isn’t an easy choice, but we’re not elected to make easy decisions; we’re elected to make the hard ones,” Murphy said. “This modest increase will pay dividends in the long run, and I encourage my colleagues to get behind this bipartisan proposal.”

#### It will pass – but the devil’s in the details

Hammel 6-12

[Paul. Politics for the AP. “'We’ve seen it coming like a slow-motion train crash': federal highway trust fund running out of cash” *Omaha Metro*, 6/12/14 ln]

The federal highway trust fund is running out of cash, a situation that could threaten next year’s road projects across the country.¶ State and local transportation officials have been watching the trust fund shrink for some time and hoping for congressional action to fix the problem.¶ “We’ve seen it coming like a slow-motion train crash,” said Randy Peters, director of the Nebraska Department of Roads.¶ Replenishing the trust fund is widely viewed as something lawmakers must do before departing Capitol Hill for their August recess.¶ It’s almost certain they will find some temporary fix, if only because of the potential impact on the economy and job creation.¶ “I just see so little chance in an election year that you’re going to shut down road construction,” said Sen. Mike Johanns of Nebraska.¶ But some of the solutions under discussion could prove unpopular themselves. One proposal in the House would use money saved by ending the U.S. Postal Service’s Saturday mail delivery.¶ It’s unclear exactly which projects could be affected in the unlikely scenario that federal highway funds dry up for the next construction season.¶ But there’s certainly a lot of cash hanging in the balance for state and local transportation programs that already face a gap between infrastructure needs and the resources available to fund them.¶ The federal government funds $282 million a year in state and local road construction in Nebraska, and $500 million in Iowa. About half of the road construction money spent by state road departments in Nebraska and Iowa comes from federal sources.¶ The crux of the problem confronting the trust fund is that it relies heavily on revenues from federal gas taxes. But as Americans ditch their gas guzzlers for more fuel-efficient vehicles, those revenues keep falling short of spending needs.¶ The fund is expected to be running on fumes by the end of July with just a few billion dollars left. At that point, the government is likely to start slowing reimbursements in order to stretch its funds to the end of the fiscal year, which closes Sept. 30.¶ And unless Congress acts, the trust fund’s balance would be down to zero later this year, with a projected $13 billion shortfall in 2015. That could prompt new projects to be cut off next year.¶ “That would have huge impacts for all states and local jurisdictions that rely on federal funding as major components of their highway and bridge programs,” said Stuart Anderson, a planning administrator at the Iowa Department of Transportation.¶ State officials are working on contingency plans.¶ When the Iowa Transportation Commission met this week, for example, it approved general criteria for determining which projects to put off if federal money does dry up.¶ Those include whether a project is already underway, how long it’s been planned and the reason for the project — whether it’s essential for safety purposes, for example.¶ State roads officials noted that this isn’t the first time they’ve seen this movie. Congress has resorted to temporary patches and extensions to keep highway projects going in past crises.¶ “History has told us Congress will take the necessary action. That’s what we’re counting on here,” Peters said. “But we have a contingency plan in case that doesn’t happen, which is just to start to delay projects.”¶ Nebraska Gov. Dave Heineman said Wednesday he has been told by lawmakers that Congress would get the job done, although probably only with a short-term fix.¶ “I feel this is an area where both Republicans and Democrats recognize the need for road funding,” Heineman said.¶ Rep. Lee Terry agreed that it’s an important responsibility of the federal government to support infrastructure, but the question is how to pay for it.¶ “That’s a real issue because of the deficit and the debt level and the fact that we aren’t going to raise taxes, so we have to figure out a way to make up the difference,” Terry said.¶ That might mean cutting Saturday mail delivery, an idea that GOP House members have been discussing.¶ “I don’t like it, but I don’t see another option that’s possible,” Terry said. “It’s the Saturday delivery versus infrastructure — and since those are the two things on the scale, I’m going to go with infrastructure.”¶ Terry predicted that the Senate would come to the same conclusion.¶ “I’d actually put the 20 bucks in my wallet on the fact that this will pass and get to the president’s desk,” Terry said of dropping Saturday delivery.¶ Some of his colleagues from Nebraska were less ready to make that bet.¶ Rep. Jeff Fortenberry said the trust fund shortage is a thorny issue that must be addressed, but he said there was a “pretty weak” link between it and the Postal Service’s Saturday delivery.¶ “That is a peculiar package,” Fortenberry said.¶ And Johanns said he doesn’t see the Postal Service plan getting through the Senate.¶ He pointed instead to another proposal aimed at encouraging corporations to bring money they’ve parked overseas back to the U.S. so it could be taxed.¶ Sen. Deb Fischer, R-Neb., said raising the gas tax or reducing postal delivery would be temporary patches. And she said the corporate tax measure could undermine future efforts to overhaul the tax code.¶ “You have to look for a long-term fix,” she said.¶ She suggested that Congress will find a way to solve the shortage.

#### Will pass – public support

Box 6-11

[Terry. Politics for the Dallas Morning News. “Poll finds support for higher gas taxes to fund roads” *Dallas Morning News*, 6/11/14 ln]

More than half of the respondents in a recent AAA poll said they would be willing to pay higher gas taxes in return for better roads.¶ In a survey of 2,013 people, AAA found that two-thirds believe the federal government should increase its funding for road and transportation projects.¶ Slightly more than half said they would support an increase in the federal 18.3-cents-per-gallon gas tax that funds the Highway Trust Fund. That tax, along with a 24.4-cent-per-gallon levy on diesel fuel, has not been raised since 1993.¶ Advocacy groups say the trust fund will run out of money in August.¶ “Many of us are willing to pay a little more if it means we’ll have access to better roads, bridges and transit systems,” said Bob Darbelnet, president and CEO of AAA. “Americans are fed up with record-long commutes, unsafe highways and never-ending potholes.”¶ If the fund runs dry, road projects across the country would be delayed, AAA said.¶ “Congress must prevent severe maintenance delays during the height of the summer driving season by preventing a Highway Trust Fund bankruptcy in August,” Darbelnet said.¶ AAA said 51 percent of those polled in its survey would be “more open” to voting for a candidate that supported an increase in road funding, while only 19 percent said they would vote against the candidate.

#### AASHTO is pushing

Fuetsch 6-11

[Michelle. Political Correspondent for Transportation Topics News. “AASHTO Presses Congress to Act on Highway Trust Fund Crisis” 6/11/14 ln]

The American Association of State Highway and Transportation Officials passed a resolution that calls on Congress to address the funding crisis facing the Highway Trust Fund this summer.¶ The fund is expected to fall into the red by late July or early August.¶ AASHTO said Congress “must act to ensure the solvency of the Highway Trust Fund” prior to the Federal Highway Administration delaying reimbursements to states “for costs already incurred on federally funded highway projects.”¶ The resolution was approved last week at AASHTO’s annual spring meeting in Louisville, Kentucky.¶ Nearly 50% of the funding for highway construction projects comes from the Federal-Aid Highway Program funded by the trust fund, AASHTO said.

### 2nc Bipart K

#### Highway trust fund restoration will pass – but bipart is key to reconcile competing funding proposals

Schultz 6-16

[M. Politics for the Detroit News. “Federal funding crisis may stall Michigan road fixes” 6/16/14 <http://www.detroitnews.com/article/20140616/METRO05/306160006> ]

As state lawmakers fumble to find $1 billion for crumbling roads, Michigan faces a bigger potential highway crisis: Federal funding could dry up as early as next month, blocking new construction projects.¶ Members of Congress agree they must move quickly to resolve the insolvency crisis in the Highway Trust Fund that finances about a third, or roughly $1 billion, of Michigan’s transportation budget. But they disagree about how it should be paid for. It is similar to the gridlock in Lansing, where state legislators can’t find a consensus on how to raise $1.2 billion to $1.5 billion more annually to repair roads and bridges.¶ The GOP-led U.S. House is pushing a short-term fix that would funnel about $12 billion to the trust fund from savings by limiting Saturday mail delivery, and reimburse states for the remainder of the summer construction season. But Democrats have called it a gimmick and seek a long-term solution, including a 15-cent increase in the 18.4-cent federal gas tax, that would bolster a diminishing highway fund to fully invest in the nation’s infrastructure.¶ The impasse threatens Michigan’s worn, potholed highway system. If federal funding comes to halt, state officials said Michigan has enough money set aside to finish this summer’s construction. Without a congressional solution, however, state officials said future projects would be on hold and pavement would continue to decline.¶ “It’s going to be an embarrassment — some would say it already is,” said Michigan Department of Transportation spokesman Jeff Cranson.¶ Congress also is staring at trying to approve a multiyear transportation authorization bill before the current legislation expires at the end of September. Without an extension or renewal, federal funding would stop flowing to states because the legal authority to spend trust fund federal dollars would have ended.

#### Passage may be inevitable but compromise is key to work out the details

Newhauser and Dumin 6-10

[Dan and Emma. Politics for Roll Call. “GOP, White House Tout Opposing Highway Proposals” *Roll Call*, 6/10/14 ln]

With only two months before a crucial fund for highway projects nationwide is tapped, House Republicans and the White House touted dueling plans Tuesday aimed at avoiding a late-July construction shutdown.¶ Speaker John A. Boehner told Republicans in a private morning meeting that leadership’s plan to raise cash for a temporary $15 billion road fix by eliminating some Saturday mail service may not be ideal, but is the only viable plan that does not raise taxes.¶ On the other side of the Capitol, Transportation Secretary Anthony Foxx tried to sell the House Democratic Caucus on a larger-scale highway bill President Barack Obama unveiled earlier this year, which would also bolster the Highway Trust Fund.¶ Foxx told reporters after the meeting that the administration’s policy is the viable one because it also reauthorizes the expiring surface transportation bill.¶ “We’ve got to get past … the gimmicks in transportation and really get serious about trying to get a long-term strategy going,” Foxx said.¶ It’s unclear whether either plan can pass. After the Boehner meeting, many Republicans were lukewarm on the proposal to cut Saturday mail delivery and House leaders are not likely to bring up Obama’s highway bill.¶ Rep. Peter T. King, R-N.Y., said he is leaning against the GOP leadership’s proposal because he thinks it would hurt those who still rely on the Postal Service. Rep. John Fleming, R-La., said he would likely vote against such a plan because he thinks money should be taken from bike lane and park funding before the Postal Service takes a hit.¶ House Democrats signaled they will offer little help in passing the GOP bill. After the meeting with Foxx, Caucus Chairman Xavier Becerra, D-Calif., told reporters the Republican plan is short-sighted, and he said it could disproportionately affect seniors who rely more than others on access to physical mail.¶ “Our Republican colleagues are saying that in order to replenish the funds to help return those gas tax dollars to people so they can see, back in their community, roads built, bridges fixed, tunnels repaired, we have to tell other Americans that they will not get mail delivered,” he said. “This is … another case of Republicans saying, … ‘In order for you to win, another American has to lose.’”¶ On the other hand, Obama’s plan derives offsets from revenue from a tax code overhaul benefiting businesses, which Foxx and other proponents call “pro-growth, business tax reform.”¶ “It would not require raising rates, it also wouldn’t require increasing deficits,” Foxx said. “We think it’s a place where there could be bipartisan agreement.”¶ Aside from the fact that the House GOP would not likely consider taking up legislation offered by Obama or members of his Cabinet, the chances of passing any rewrite of the tax code are looking increasingly unlikely — especially before the August recess, when the Highway Trust Fund is expected to go broke.¶ Still, leaders and their aides were confident as they began whipping the GOP proposal Tuesday, believing that by starting the process early, they can convince enough members on their side of the aisle that their plan is the only one worth voting for.

#### More evidence – funding the HTF will require a tremendous amount of congressional compromise – throwing the plan into an already-delicate legislative balance risks *derailment*

Weisman 6-9

[Jonathan. Politics for the NYT. “Plan to Refill Highway Fund Stokes Conflict in Congress” *The New York Times*, 6/9/14 ln]

With federal highway funds just weeks from depletion, the struggle to replenish the Highway Trust Fund has linked Senator Harry Reid, Democrat of Nevada, the majority leader, with one of the Republicans’ brightest stars, Senator Rand Paul of Kentucky — and pushed against the bipartisan leadership of the Finance Committee — with the clock ticking.¶ Mr. Reid and Mr. Paul are quietly pressing for a one-time tax “holiday” — a special and lucrative tax deduction — to lure multinational corporations to bring profits home from overseas, producing a sudden windfall. Companies would be allowed to deduct 85 percent of the money their parent corporations in the United States receive from foreign subsidiaries, a move that would bring the Treasury between $20 billion and $30 billion in the next two years, while flooding the domestic economy with hundreds of billions of dollars otherwise trapped abroad.¶ Senator Ron Wyden, Democrat of Oregon, the Finance Committee chairman, and Senator Orrin G. Hatch of Utah, the ranking Republican, want that money to help smooth passage of a broad rewrite of the tax code.¶ Last week, they issued a schedule of hearings for June and July that was supposed to build support for a tax overhaul. That schedule included a shot at Mr. Reid. “We will also continue to look for innovative ways to fix the depleted Highway Trust Fund and keep hard-working Americans on the job without diverting revenues from repatriation needed for tax reform,” wording in the schedule said.¶ The showdown is the first test for Mr. Wyden, as he and other committee leaders try to assert more power against the strong arm of Mr. Reid. And there is wide skepticism of the proposal.¶ Senator Charles E. Schumer of New York, Mr. Reid’s right-hand man in the Democratic leadership but also a Finance Committee member, “is dubious of simply tying repatriation to a temporary highway funding package because he’s concerned it’s too short term,” said Matt House, a spokesman for Mr. Schumer.¶ Aides for Mr. Reid said the leader was only drawing up an option before Mr. Wyden drafted his part of a highway and infrastructure bill. “This decision is up to Chairman Wyden,” said Adam Jentleson, a spokesman for Mr. Reid.¶ But the needs of the Highway Trust Fund may be more pressing than a rewrite of the entire tax code. And what Mr. Reid wants, he often gets.¶ For years now, gasoline and diesel tax receipts have fallen as cars and trucks have become more fuel-efficient, even as infrastructure needs have risen. For the fiscal year that began in October, the Congressional Budget Office estimated that trust fund revenues would total $33 billion, while spending would total $45 billion.¶ And by the week of July 18, the trust fund’s nest egg would dip below $4 billion, the “prudent balance” trigger that would force the Department of Transportation to tell states to begin slowing construction projects. By next year, every cent of fuel tax receipts would have to go to projects already underway, blocking any new repair or construction projects, and possibly slowing an already incremental economic recovery.¶ “Just the threat of Congress delaying funding has forced states to cut back already,” said Jeff Shoaf, senior executive director for government affairs at the Associated General Contractors of America, which lobbies for the firms that do those projects.

#### More evidence – compromise is key – Congress is willing to horsetrade on the HTF

Khimm 6-7

[Susan. Politics for MSNBC. “ Highway Trust Fund at risk due to congressional gridlock” *MSNBC*, 6/7/14 ln]

Interstate 95 is already one of the most congested roads in the country. Now congressional gridlock means Americans could be stuck in traffic for even longer.¶ Unless Congress acts, the federal Highway Trust Fund will run out of money by the end of September, which risks stopping or slowing infrastructure projects across the country and keeping new ones from getting off the ground. And that means more frustration, wasted gas, and potential accidents for the nation’s drivers.¶ Delaware, for example, has been hoping for years to fix the interchange between I-95 and State Route 141, just south of Wilmington and north of New Castle Airport. Congestion is awful during rush hour as drivers navigate the curved ramps on and off the highway.¶ Right now, traffic is even worse: This week, a major bridge nearby closed indefinitely after it began to tilt and crack—and I-95 is the main detour.¶ “Tens of thousands of commuters are forced onto already crowded streets and highways, creating even worse traffic for everyone in our area, hurting our economy, and taking people away from where they need to be,” Sen. Chris Coons, a Delaware Democrat said Thursday on the Senate floor after the bridge closure. ¶ The spot has also historically had a high number of accidents, according to the state’s Department of Transportation, making it a priority for safety improvements. ”These crashes can be attributed to congestion, red light running and the geometry of the interchange ramps,” a 2010 analysis concluded. Some have even been fatal: A 19-year-old Wilmington woman was killed in early 2012 when her Subaru collided with a concrete barrier at the SR 141 interchange. ¶ But Delaware might not be able to move forward with its plans to revamp the hazardous spot unless Congress acts: It’s among the infrastructure projects that will be put on ice unless Washington finds more money for the federal Highway Trust Fund—or the state finds some way to make up the gap.¶ The federal fund for road, bridge, and transit improvements will run dry by the end of September, jeopardizing similar projects across the country. It needs $15 billion just to stay afloat through Fiscal Year of 2015, and $172 billion over the next decade, according to the Congressional Budget Office. It’s not the first time that Congress has approached the “highway cliff”: The fund has been on life support for years, as revenue from the gas tax meant to pay for these projects hasn’t kept up with the country’s infrastructure needs. ¶ In response, Sen. Tom Carper (D-Del.) is pushing for an increase in the federal gas tax, which Congress hasn’t raised since 1993. House Republicans want to use revenue from ending U.S. Postal Service delivery on Saturdays to prop up the fund. Others have proposed revamping the funding structure entirely through mileage fees or a more decentralized funding system.¶ But in an election year, no one on Capitol Hill is expecting Congress to fix the long-term problem. At most, legislators are expected to scrape together yet another stopgap bill and continued uncertainty.¶ “Everyone’s in favor of better infrastructure and better highways,” said John Grieshaber, a state lobbyist for the American Society of Civil Engineers in Delaware. However, he added, “nobody wants to be the bad guy — nobody wants to be the person that’s ultimately responsible for raising taxes.”¶ States have tried to scrape together their own funds to address the shortfall. Delaware’s governor, for instance, is proposing a state-level gas tax hike. But it’s not enough to make up for the federal role in fixing the I-95 interchange: Washington usually pays for 80 to 90 percent of federally supported highway work.¶ Congress does manage to find money for infrastructure in a crisis: Federal officials quickly approved $2 million in emergency aid to fix the tilting bridge, drawing from a reserve that’s separate from the Highway Trust Fund. But when it comes to long-term planning, the urgency for action disappears.

#### More evidence – changes to the highway trust fund are *flypaper* for political criticism – passage requires a careful balancing act

Turgeon ‘10

[Evan N. Turgeon, Legal Associate at the Cato Institute; J.D.University of Virginia School of Law 2009; B.A. Tufts University 2004, “Triple-Dividends: Toward Pigovian Gasoline Taxation,” Journal of Land, Resources, & Environmental Law 2010, pg lexis]

1. The American Public As it currently stands, Americans do not perceive climate change as a severe threat. Consequently, Americans are unwilling to incur significant costs to mitigate this risk, especially if those costs come in the form of higher gasoline taxes. [\*173] Simply put, "the fuel tax is perhaps one of the most resented in our society." n187 It seems that the public's hostility to fuel taxes exceeds its general opposition to excise taxes in general, n188 which suggests that opposition more reflects the item being taxed than the method of taxation. Indeed, the public accepts other instances of federal government price manipulation in the name of economic efficiency as a matter of course. The Federal Reserve, for example, routinely adjusts the discount rate and thereby the cost of borrowing to influence consumer pur-chasing decisions. This suggests that gasoline taxation provokes an emotional, rather than an analytical, response. That gasoline is widely consumed, that price drives consumer preference, and that prices are visible and volatile likely contribute to this phenomenon. n189 More important still, the car is freighted with notions of "freedom," given the sprawling development of American society and widespread dependence on cars, almost as the exclusive method of transportation. Increasing the cost of car use is seen as constraining individual freedom of movement. n190 Public attachment to cars by the public partly explains economically inefficient government policies focused on making trips cleaner rather than fewer in number. 2. Elected Representatives But public sentiment is only half the battle; politicians must be convinced of Pigovian fuel taxation's benefits as well. Even more so than their constituencies, short-term incentives govern the behavior of lawmakers. "In reality politicians are moved by concerns which are entirely different from those of social welfare maximization[,]" n191 namely satisfying certain constituent groups in order to survive an upcoming election. So, although the public may demand action on a given issue, an ineffective government response will likely result if politicians are not independently motivated to act. n192 Consequently, "an important means for a government to ensure survival is to finance government expenditures with as little popular resistance as possible." n193 Political concerns also motivate the method of government action adopted. "[Politicians] prefer direct interventions via [\*174] commands and controls, which have the added advantage that any successes can more easily be attributed to the government's actions." n194¶ Indeed, the United States' inefficient but politically useful energy policies reflect these motivations. Tepid public desire to secure energy independence and improve the environment provided politicians an opportunity to increase concentrated spending for biofuel subsidies and military operations. Policies that broadly advance societal welfare through economic efficiency enjoy markedly less support from lawmakers. For example, "the Clinton Administration achieved an increase in the federal gasoline tax rate of only [$ .04 per gallon] in 1993, despite a major effort." n195 Large but diffuse benefits thus tend to take a backseat to small but concentrated benefits. n196

### 2NC Impact Run

#### The plan chokes off American economic growth –Royal says that results in war as a result of resource scarcity and increased international tensions. Your impact defense doesn’t apply – trade collapse changes the decision calculus and causes hyper aggressive foreign policy. The DA outweighs the case:

#### Magnitude – Interdependence is a controlling impact that accesses conflict in every theater. US isolationism would create conflicts in flashpoints across the globe. US economic cooperation is essential to prevent global power vacuum – the alternative is a wreck of secondary nations *fighting* for power and influence.

Bremmer and Roubini ‘11

[Ian – President of the Eurasia Political Risk Consulting Group. And Nouriel, Prof Econ @ NYU. “A G-Zero World” Foreign Affairs, Winter 2011. ln]

Following previous crises in emerging markets, such as the Asian financial meltdown of the late 1990s, policymakers in those economies committed themselves to maintaining weak currencies, running current account surpluses, and self-insuring against liquidity runs by accumulating huge foreign exchange reserves. This strategy grew in part from a mistrust that the IMF could be counted on to act as the lender of last resort. Deficit countries, such as the United States, see such accumulations of reserves as a form of trade mercantilism that prevents undervalued currencies from appreciating. Emerging-market economies, in turn, complain that U.S. fiscal and current account deficits could eventually cause the collapse of the U.S. dollar, even as these deficits help build up the dollar assets demanded by those countries accumulating reserves. This is a rerun of the old Triffin dilemma, an economic observation of what happens when the country that produces the reserve currency must run deficits to provide international liquidity, deficits that eventually debase the currency’s value as a stable international reserve. Meanwhile, debates over alternatives to the U.S. dollar, including that of giving a greater role to Special Drawing Rights (an international reserve asset based on a basket of five national currencies created by the IMF to supplement gold and dollar reserves), as China has recommended, are going nowhere, largely because Washington has no interest in any move that would undermine the central role of the dollar. Nor is it likely that China’s yuan will soon supplant the dollar as a major reserve currency, because for the yuan to do so, Beijing would have to allow its exchange rate to fluctuate, reduce its controls on capital inflows and outflows, liberalize its domestic capital markets, and create markets for yuan-denominated debt. That is a long-term process that would present many near-term threats to China’s political and economic stability. In addition, energy producers are resisting policies aimed at stabilizing price volatility through a more flexible energy supply. Meanwhile, net energy exporters, especially Russia, continue to use threats to halt the flow of gas as a primary foreign policy weapon against neighboring states. Net energy consumers, for their part, are resisting policies, such as carbon taxes, that would reduce their dependency on fossil fuels. Similar tensions derive from the sharply rising prices of food and other commodities. Conflicts over these issues come at a time when economic anxiety is high and no single country or bloc of countries has the clout to help drive a truly international approach to resolving them. From 1945 until 1990, the global balance of power was defined primarily by relative differences in military capability. It was not market-moving innovation or cultural dynamism that bolstered the Soviet bloc’s prominence within a bipolar international system. It was raw military power. Today, it is the centrality of China and other emerging powers to the future of the global economy, not the numbers of their citizens under arms or the weapons at their disposal, that make their choices crucial for the United States’ future. This is the core of the G-Zero dilemma. The phrase “collective security” conjures up NATO and its importance for peace and prosperity across Europe. But as the eurozone crisis vividly demonstrates, there is no collective economic security in a globalized economy. Whereas Europe’s interest rates once converged based on the assumption that southern European countries were immune to default risks and eastern European states were lined up to join the euro, now there is fear of a contagion within the walls that might one day bring down the entire eurozone enterprise. Beyond Europe, those who make policy, whether in a market-based democracy such as the United States or an authoritarian capitalist state such as China, must worry first and foremost about growth and jobs at home. Ambitions to bolster the global economy are a distant second. There is no longer a Washington consensus, but nor will there ever be a Beijing consensus, because Chinese-style state capitalism is designed to meet China’s unique needs. It is that rare product that China has no interest in exporting. Indeed, because each government must work to build domestic security and prosperity to fit its own unique political, economic, geographic, cultural, and historical circumstances, state capitalism is a system that must be unique to every country that practices it. This is why, despite pledges recorded in G-20 communiqués to “avoid the mistakes of the past,” protectionism is alive and well. It is why the process of creating a new international financial architecture is unlikely to create a structure that complies with any credible building code. And it is why the G-Zero era is more likely to produce protracted conflict than anything resembling a new Bretton Woods.

#### Risk – growth is a causal variable to maintaining peace – Royal cites a robust swath of data – prefer our explanation for conflict.

#### Timeframe – it’s immediate – even if intervening actors slow the impact, the perception of contraction results in preemptive wars

Lieberthal and O’Hanlon ‘12

[Ken – Dir of the China Center and Senior Fellow in Foreign Policy at Brookings. And Michael – Dir of Research and Senior Fellow of Foreign Policy at Brookings. “The Real National Security Threat: America’s Debt” The LA Times, 7/10/12 ]

Second, such a chronic economic decline would undercut what has been 70 years of strong national political consensus in favor of an activist and engaged American foreign policy. One reason the United States was so engaged through the Cold War and the first 20 years of the post-Cold War world was fear of threats. But the other reason was that the strategy was associated with improvements in our quality of life as well. America became even more prosperous, and all major segments of society benefited.¶ Alas, globalization and automation trends of the last generation have increasingly called the American dream into question for the working classes. Another decade of underinvestment in what is required to remedy this situation will make an isolationist or populist president far more likely because much of the country will question whether an internationalist role makes sense for America — especially if it costs us well over half a trillion dollars in defense spending annually yet seems correlated with more job losses.¶ Lastly, American economic weakness undercuts U.S. leadership abroad. Other countries sense our weakness and wonder about our purported decline. If this perception becomes more widespread, and the case that we are in decline becomes more persuasive, countries will begin to take actions that reflect their skepticism about America's future. Allies and friends will doubt our commitment and may pursue nuclear weapons for their own security, for example; adversaries will sense opportunity and be less restrained in throwing around their weight in their own neighborhoods. The crucial Persian Gulf and Western Pacific regions will likely become less stable. Major war will become more likely.¶ When running for president last time, Obama eloquently articulated big foreign policy visions: healing America's breach with the Muslim world, controlling global climate change, dramatically curbing global poverty through development aid, moving toward a world free of nuclear weapons. These were, and remain, worthy if elusive goals. However, for Obama or his successor, there is now a much more urgent big-picture issue: restoring U.S. economic strength. Nothing else is really possible if that fundamental prerequisite to effective foreign policy is not reestablished.

### Ext. Econ IL

#### Funding the HTF is key to a ton of jobs

Hall 6-11

[Michael. Economic Outlook Analyst for AFL-CIO. “Without Highway Bill, 700,000 Jobs at Risk” 6/11/14 <http://www.aflcio.org/Blog/Political-Action-Legislation/Without-Highway-Bill-700-000-Jobs-at-Risk> ]

If Congress doesn’t act soon, more than 700,000 middle class jobs building the nation’s highways, bridges and transit systems will be at risk.¶ While the legislation authorizing the spending for those vital projects doesn’t expire until Sept. 30, the Highway Trust Fund that helps states pay for transportation construction and upkeep is running out of money and layoffs could begin later next month.¶ Last month President Obama said: ¶ There are more than 100,000 active projects paving roads and rebuilding bridges, modernizing our transit systems. States might have to choose which ones to put the brake on. Some states are already starting to slow down work because they’re worried Congress won’t untangle the gridlock on time. ¶ The Obama Administration has offered a 4-year reauthorization plan called the Grow America Act and in May the Senate Environment and Public Works Committee passed a bipartisan bill that reauthorizes transportation spending for six years.¶ Funding remains uncertain and leaders the Republican-controlled House so far have only floated what AFL-CIO Transportation Trades Department (TTD) President Ed Wytkind called “a ridiculous proposal” to fund highway projects by eliminating Saturday mail delivery.¶ It is disappointing that House Republican leaders have resurrected a strategy – taken right out of the failed playbook from last Congress—of funding surface transportation needs on the backs of workers who have nothing to do with the funding shortfalls we face. ¶ The transportation reauthorization is the largest jobs-creation bill Congress deals with on a regular basis. It provides certainty needed for projects to move forward and traditionally has been long-term legislation, but in recent years Republican leaders have tried to use the legislation as a vehicle for extremist and partisan provisions.¶ Operating Engineers President James T. Callahan urged Congress to act swiftly.¶ American families are counting on [Congress] to do its jobs…Hundreds of thousands of American workers depend on these investments for their livelihoods. Multi-year funding is the only solution to rebuild our crumbling roads and bridges the right way…We urge lawmakers to move swiftly and move boldly before the Highway Trust Fund runs dry.

#### And a vibrant trade sector

Kasavant ‘11

[Ken Casavant Director and Professor, Freight Policy Transportation Institute School of Economic Sciences Washington State University “The Relationship Between U.S. Transport Infrastructure Improvements And International Trade,” ]

U.S. supply chain and export competitiveness is essentially dependent on the national transportation infrastructure. The complex system of seaports, airports, warehousing and distribution centers is connected through intermodal transportation networks to local and global markets. Maintaining efficient transport infrastructure that serves as a platform for integrated global supply chains is crucial for meeting the increased demand for transportation services. The influence of transportation infrastructure improvements on economic growth and development is one of the key questions in transport economics, which has been subjected to numerous reassessments (Aschauer, 1989; Clark et al., 2004; Easterly, 1993). Nevertheless, the general agreement in the peer-reviewed literature is that the transportation infrastructure improvements, combined with necessary political and institutional conditions can contribute to economic growth by facilitating international trade, strengthening regional supply chains, and creating jobs (Nadiri and Mamunes, 1994; Banister and Berechman, 2001; Istrate et al., 2010). In this study, the Freight Policy Transportation Institute (FPTI) at Washington State University (WSU) reviews the relationship between U.S. transportation infrastructure improvements and its export competitiveness. Investigation of infrastructure investment effects on net welfare changes is particularly important to the U.S. in the aftermath of the recent economic recession. In particular, infrastructure improvements are essential for export competitiveness in agricultural commodities trade, an export-oriented industry that heavily relies on timely and efficient transportation of crops from production regions to processing and/or transshipment locations and exporting ports. Further, understanding the extent to which the improved transport infrastructure may contribute to the country’s export competitiveness is particularly essential in light of the grain export competitor countries’ (e.g., Brazil) recent investments in new and efficient transportation capacity and infrastructure (Cost et al. 2007). Increasing U.S. international trade has recently been prioritized by the National Export Initiative and National Supply Chain Infrastructure Competitiveness Initiative (U.S. Department of Commerce, 2010). As the recent Presidential executive order states “…a critical component of stimulating economic growth in the United States is ensuring that U.S. businesses can actively participate in international markets by increasing their exports of goods, services, and agricultural products. Improved export performance will, in turn, create good high-paying jobs” (The White House, 2010). The path to export growth critically depends on capacity improvement of the complex, interconnected transportation networks, which include highway networks, railroad, intermodal terminals, inland waterways and sea ports. To better implement proposed export promotion plans at the state and national levels, policymakers need to understand how investments in different areas of the aging U.S. transportation infrastructure will contribute to the country’s international trade flows and producer revenues through an overall increased economic activity. Increasing exports and staying highly competitive in world markets, requires maintaining reasonable transportation costs, which can be achieved by preserving and developing efficient transport infrastructure. To facilitate the decision making at the policy-level, the main goal of this study is to highlight the potential impact of infrastructural improvements in the U.S. transportation networks on the country’s export competitiveness. Current issues of freight transportation, including waterways lock improvement projects, port-rail connectivity, volume and capacity are discussed to emphasize the need for improvements the national transportation infrastructure system.

#### Funding the HTF is key to the economy

Crane et al ‘12

[Keith is director of the Environment, Energy, and Economic Development Program at the RAND Corporation. Nicholas is an associate economist at RAND working in the areas of environmental economics and international development, in particular on energy and climate change. He was a lead author on the Fourth Assessment Report produced by the Intergovernmental Panel on Climate Change. Martin is senior principal researcher at the RAND Corporation and is professor emeritus of city and regional planning and of city and regional planning at the University of California, Berkeley. “Putting a Tax on Oil.” <http://pwm.sagepub.com.proxy.lib.umich.edu/content/17/3/256.full.pdf+html>]

The need for highway expenditures in the United States is increasing while revenues from traditional funding sources, taxes on gasoline and diesel, are declining (Figure 1). As Americans continue to drive, but motor vehicles become more fuel efficient, this funding gap will continue to widen, presenting Congress with the challenge of finding a new way to reliably fund transportation infrastructure. Each year, U.S. citizens incur a number of real, if unseen, costs associated with the consumption of gasoline and diesel and, by extension, oil. These range from environmental pollution stemming from the consumption of gasoline and diesel fuel to macroeconomic instability from oil price shocks to national security costs related to oil production by unfriendly regimes. Because these costs are external to consumers, the price of gasoline, diesel, and other oil-based products does not accurately reflect the true cost of oil consumption. An oil tax—imposed on petroleum and petroleum products consumed in the United States—is one way to simultaneously provide a reliable source of funding for U.S. transportation infrastructure and ensure that the price of oil more accurately reflects its true costs. In this article, we present one option for a federal oil tax and estimate potential revenue streams that might be generated by such a tax. We then discuss the benefits and challenges associated with implementing an oil tax. Specifically, we identify and describe—quantitatively where feasible—the external costs associated with oil consumption that are not currently paid by consumers of oil. An oil tax is an effective mechanism through which to shift these costs from the public at large to those who impose these costs on society. The oil tax we propose is a percentage tax applied to domestic oil, imported oil, and imported oil products that would be periodically adjusted to reflect changes in the price of oil so that sufficient revenues are generated to cover government expenditures and external costs.1 It would be designed to rise with inflation and to increase to cover increased costs of federally funded roads and surface transportation, while not overly burdening consumers when oil prices rise. We also discuss potential distributional implications for the tax, including how the burden would be shared between consumers and producers, how much of the tax foreign producers might bear, and which income and geographic groups would be likely to pay the tax. The article is organized as follows: The next section, “Why Tax Oil?” introduces the concept of an oil tax as a mechanism to fund federal spending on transportation. It discusses a design for such a tax. The third section, “How Much Might Oil Be Taxed?” explores the potential types of expenditures an oil tax would fund and describes the external costs associated with oil consumption. In the last section, “Who Would Pay the Tax?” we discuss who would pay for an oil tax, focusing on income and distributional effects, and implications for federal transportation funding.

#### Also vital to aggregate competitiveness

Crane et al ‘12

[Keith is director of the Environment, Energy, and Economic Development Program at the RAND Corporation. Nicholas is an associate economist at RAND working in the areas of environmental economics and international development, in particular on energy and climate change. He was a lead author on the Fourth Assessment Report produced by the Intergovernmental Panel on Climate Change. Martin is senior principal researcher at the RAND Corporation and is professor emeritus of city and regional planning and of city and regional planning at the University of California, Berkeley. “Putting a Tax on Oil.” <http://pwm.sagepub.com.proxy.lib.umich.edu/content/17/3/256.full.pdf+html>]

There are compelling reasons to consider alternatives to existing motor fuel taxes in the United States. Current federal gasoline and diesel taxes—the largest contributors to U.S. federal transportation funding—are not indexed to inflation, and have not been raised to produce sufficient revenue to cover federal transportation infrastructure costs. An alternative, explored in this article, is to replace existing fuel taxes with a single tax on oil and imported refined oil products. An oil tax would have appealing features: It is likely to be relatively easy to administer because it would be collected at the refinery or ports;7 it would spread the cost of transportation funding across a larger pool of users than current taxes do; it could account for the external costs associated with oil production and consumption; and it could be designed in ways to provide consistent funding for transportation infrastructure and other spending priorities. By tying tax rates to appropriated monies for transportation spending, and adjusting those rates to changes in world market oil prices, the tax would ensure that future revenues keep pace with transportation expenditures. At the same time, imposing and implementing a percentage tax on crude oil would be challenging, and an oil tax is not without its limitations. Antitax sentiment is a major reason that existing federal fuel taxes have not been raised since 1994. Similar antitax political pressure could stall an oil tax proposal, although national security concerns might lend support to a tax on oil that other taxes lack. Phasing in might also help garner public acceptance for an oil tax. Ensuring that the transition away from motor fuel taxes toward a unified oil tax is gradual could make the tax more politically feasible. Setting the right rate for the tax is a key challenge, especially if one goal of the tax is to address the external costs of oil consumption. We have provided estimates of some of environmental, macroeconomic, and national security costs, but more detailed analysis would be needed to fully justify both a particular external cost estimate and the appropriate balance between revenue goals and reducing externalities. Finally, just as gasoline tax revenues fall as cars become more fuel efficient, an oil tax would be subject to the same revenue limitations.8 Consequently, an oil tax would likely be one part of a more complete transportation funding approach, which could include policy instruments like VMT taxes to account for fuel efficiency and local externalities. We also acknowledge that existing fuel taxes could be adjusted to take advantage of some of the features we have proposed for an oil tax. In particular, the gasoline and diesel taxes could be converted to an adjustable, percentage based system. In this way, revised versions of existing fuel taxes could adjust automatically for inflation and/or be adjusted periodically to provide sufficient revenue for transportation expenditure. It is difficult to assess whether changing the existing tax structure would be more or less political feasible than implanting a new tax although it is possible that it would be easier to create an optimal tax “from scratch” than trying to adjust an existing tax. Nevertheless, an oil tax would be a broader based tax, it could more effectively account for externalities associated with petroleum consumption, and it would go further in reducing oil consumption in our economy.

### HTF Good: Energy Impact

#### Increasing funding to make the HTF solvent would *transform* the nature of US energy policy and bolsters energy diplomacy

Turgeon ‘10

[Evan N. Turgeon, Legal Associate at the Cato Institute; J.D.University of Virginia School of Law 2009; B.A. Tufts University 2004, “Triple-Dividends: Toward Pigovian Gasoline Taxation,” Journal of Land, Resources, & Environmental Law 2010, pg lexis]

Significantly increasing federal taxes on gasoline would generate results vastly superior to those produced by current energy policies. While politically unpopular, such Pigovian taxes promote economic efficiency. In so doing, a meaningful federal gasoline tax has the potential to yield a triple-dividend by [\*159] simultaneously improving the United States' economy, furthering national security, and inhibiting climate change. n85 The scientific consensus on global warming accepts that reducing greenhouse gas emissions from fossil fuel combustion is necessary to stem the tide of global warming, and that imposing Pigovian taxes would further this goal. However, I argue that such taxes, by reducing domestic oil demand and consumption, would benefit the United States' national security outlook and economy as well. Importantly, these benefits would increase the United States' relative power in the world, and would accrue even if fuel taxes were imposed unilaterally. A. Economic Efficiency Many commentators have noted that raising gasoline taxes would increase economic efficiency by forcing drivers to realize the true costs of their driving. Historically, government policy has permitted Americans to externalize the true costs of their driving onto the national commons, which lowers the cost of driving and increases the amount of driving done. Recognition of these inefficient and unfair externalities has prompted proposals to force drivers to internalize the true cost of driving. n86 1. The Theory of Pigovian Taxation In his 1920 book, The Economics of Welfare, economist Arthur Pigou recommended imposing taxes on polluters to force them to internalize such costs. n87 Since prices act as a signaling mechanism to consumers, n88 the easiest way to reduce excess consumption is to raise prices, and the easiest way to raise prices is to impose a tax. A "Pigovian" tax would increase the cost of driving, and thereby reduce the amount of driving done to the optimal level: where marginal cost equals marginal benefit. A Pigovian gas tax thus has the potential to improve societal welfare. It seems that Pigovian fuel taxation would prove the best method of promoting economic efficiency. Although Pigovian environmental taxes are generally criticized for providing only a "second-best" solution to environmental externalities, n89 it appears that Pigovian gasoline taxation would provide close to a "first best" solution to the economic, national security, and climate change [\*160] externalities discussed here. It would simultaneously address the volatile price of gasoline that produces economic problems, the high American consumption of oil that requires high national security expenditures, and the carbon emissions responsible for climate change. n90 The principal economic shortcoming of Pigovian fuel taxation is that it "discourages vehicle use uniformly, ignoring differences in emission rates." n91 As a consequence, it does not perfectly maximize emission reductions. However, higher fuel taxes are fair because the costs of driving would accrue primarily to drivers in proportion to the driving each does, not to all American citizens. n92 Moreover, "the beauty of the fuel tax is its administrative simplicity[,]" n93 which becomes all the more important given the impossibility of monitoring actual vehicle emissions. n94 The United States already levies a low federal tax on gasoline, n95 so Pigovian gasoline taxation would require no additional bureaucracy. In addition, such uniform excise taxes are comprehensive, reaching all drivers, n96 and are difficult for users to avoid. n97 Given the powerful incentives to evade or exploit government energy initiatives, n98 such rigidity and uniformity are virtues. n99 2. Effects on Gasoline Demand The long-term price elasticity of gasoline indicates that increasing fuel taxes will decrease demand for gasoline. While gasoline's short-term price elasticity is notoriously low, long-term elasticity is significantly higher. n100 Indeed, it seems that "even "addicts' consume less in the long run when prices rise." n101 Changes in [\*161] consumer's long-term purchasing decisions, such as whether and what type of car to purchase, confirm this. n102 Thus, Pigovian taxes producing high long-term gas prices are likely to encourage efficient consumer behavior. n103 A corollary of the difference in short-and long-term price elasticities is the "Ramsay Rule," which posits that government policies designed to encourage economic efficiency should tax goods and activities with a low price elasticity more highly than those with a high price elasticity. n104 Pigovian gasoline taxation would correct the government's failure to maximize efficiency in this regard. In addition, Pigovian gasoline taxation would likely produce efficiency benefits greater than the current regime of CAFE fuel-efficiency standards, even if those standards were abolished. Economists have noted that although effluent charges (taxing a good that pollutes) and effluent standards (capping the amount of pollution each entity can produce) can produce identical results, effluent charges (such as Pigovian taxes) do so at a lower cost. "The nature of the effluent charge is such that it places a greater economic burden on those firms that can avoid polluting at a lower cost thereby saving society the otherwise unnecessary costs associated with a uniform effluent standard." n105 This indicates that higher gasoline taxes would "screen out, systematically, the trips that are worth least to consumers, sparing [] units of gasoline (and trips) that are worth more." n106 Effluent charges, such as federal gasoline taxes, can provide society the same benefits as effluent standards, such as CAFE standards, but at a significantly lower cost. Any lawmaker concerned with the nation's economic health should take advantage of this cost-savings when formulating national energy policy. n107 3. Forcing Innovation Pigovian gasoline taxation would reduce demand for gasoline and increase the demand for efficient alternative transportation products - products that are deemed efficient by the market, not by politicians. Current policies assume that higher gasoline prices will not provide incentives adequate to foster the research and development necessary to produce biofuels on a mass scale. n108 However, this approach ignores the competitive market's demonstrated ability to force innovation. n109 [\*162] The theory of "induced innovation" posits that "changes in relative factor prices should lead to innovations that reduce the need for the relatively expensive factor." n110 For example, high copper prices during World War II prompted the U.S. government to mint steel pennies in 1943. n111 History provides examples of induced innovation in transportation fuel market as well. "When real petrol prices in the USA increased in the period up to the early 1980s, a significant increase in fuel efficiency of new cars occurred. Later, as real petrol prices decreased significantly ... the increase in fuel efficiency of new cars were brought to a halt." n112 Indeed, in his 2002 article, Induced Innovation and Energy Prices, which compared historical United States patent data against energy price trends to evaluate higher energy prices' ability to force meaningful technological discovery, David Popp concluded, The most significant result is the strong, positive impact energy prices have on new innovations. This finding suggests that environmental taxes and regulations not only reduce pollution by shifting behavior away from polluting activities but also encourage the development of new technologies that make pollution control less costly in the long run. My results also make clear that simply relying on technological change as a panacea for environmental problems is not enough. There must be some mechanism in place that encourages new innovation. n113 Popp also noted that with respect to alternative transportation fuels and vehicles, "the price elasticities found suggest [that] the reaction of the research community to a change in policy, such as a carbon tax, will be swift, and that higher prices would quickly lead to a shift toward environmentally friendly innovation." n114 4. Lessons Learned These possibilities demonstrate the shortcomings of current policies. n115 As opposed to government edicts, "it is the free market that is efficient, spontaneously efficient." n116 Therefore, the systemic nature of the nation's energy crisis indicates that lawmakers' should not be in the business of determining the [\*163] best solution, but should leave that to the market. n117 While market principles alone may not provide a universal cure-all to government policy problems, the judicious application of market forces would provide significant gains in this case. n118 B. National Security Benefits Pigovian gas taxation has the potential to dramatically improve the United States' national security. Decreasing demand for gasoline will reduce the vulnerability of the United States to price shocks in international petroleum markets. Less exposure to such volatility would decrease the nation's susceptibility to disruptions in supply caused by forces outside the nation's control, such as weather or geopolitics. One such force, OPEC, would lose influence over the United States as the American thirst for oil subsides. n119 Such stability furthers national security, but there are other benefits as well. 1. Shifting Terms-of-Trade Taxing gasoline would alter the terms of international trade in favor of the United States. n120 Decreasing the domestic demand for gasoline would make alternative domestic sources of transportation comparatively more attractive to American consumers, causing the foreign oil industry to contract and domestic alternative fuel industries to expand. As a result, American industries and products would become more competitive vis-a-vis foreign competitors. n121 In response, OPEC would cut oil prices. This "terms of trade effect" would shift part of the cost of gasoline taxes onto foreign producers of oil n122 and result in more money spent domestically, stimulating economic activity. Therefore, the economically-optimal fuel tax may be greater than one merely intended to compensate for the environmental harm caused by fossil fuel combustion. n123 The national security of the United States would benefit from this trade effect as a result of the negative effects that decreased oil revenue would likely have on exporters of oil. Lower profits reduce an oil exporting regime's ability to exert its will internationally and may weaken its control domestically. This produces a relative benefit for the United States, whose international interests conflict with certain oil exporters, such as Russia, Venezuela, and Iran. With respect to Iran, for [\*164] example, lower oil prices may increase pressure for economic reform, "potentially putting pressure on the clerical governing elite to loosen its grip." n124 The United States might capitalize on oil exporters' economic weaknesses by establishing aid and trade relationships in exchange for concessions on military and nuclear policies disadvantageous to the United States. n125 Under pressure to maintain their citizens' standard of living, Middle Eastern regimes would likely liberalize social policies in an effort to diversify their economies. Resulting industries would expand economic opportunities for youth in these countries, thereby reducing the attractiveness of terrorist groups, which depend on widespread discontent and unemployment for recruitment. n126 2. Lower Military Spending Geopolitical changes would, in turn, provide politically-attractive opportunities to reduce the ever-growing military expenditures of the United States. n127 Although "one cannot attribute all expenditures in the Middle East to defending oil supplies[,]" n128 preserving American access to inexpensive oil is of the utmost importance to the United States. Estimate of annual military expenditures toward security oil supplies vary widely but are enormous by any estimate, averaging in the tens of billions of dollars per year when the nation is not at war. n129 However, if the military were not so obligated, the United States could reduce significantly its military presence in other countries or at least deploy its military resources in a more cost-effective manner. This conclusion follows from a basic mathematical insight. Suppose that you maximize a function of several variables subject to a constraint on some of the variables. Then the constraint is removed and the function is maximized again. The maximal value of the function must be higher in the latter case than in the former. n130 [\*165] Freed from its addiction to oil, the United States' national security outlook stands to benefit enormously from higher federal gasoline taxes. 3. International Law: A New American Weapon Reducing domestic oil consumption provides an additional national security benefit as well. While "the regulatory approach of environmental law in the United States has generally been reactive rather than truly precautionary," n131 the emissions reductions achieved under Pigovian fuel taxes would enable the United States to take an active part in formulating international law on climate change, yielding the United States significant gains in several ways. National self-interest powerfully influences international climate change agreements. For example, the Kyoto Protocol's arbitrary, inflexible emissions reduction plan was a production of signatories' "domestic self-interest, rather than sensible policy." n132 While that plan's drastic carbon dioxide reductions might inconvenience rapidly emerging economies, they would likely have crippled the economy of the United States. n133 However, the reduced greenhouse gas emissions achieved through Pigovian gasoline taxes would enable the United States to participate in international climate change initiatives to its advantage. If the United States were to propose multilateral Pigovian taxes on gasoline, it seems likely that world consumption of fossil fuels would decrease, especially considering that many states actively subsidize gasoline at present. n134 This would provide worldwide monetary gains in efficiency. Keeping in mind that the developing world would bear the brunt of climate change's negative effects, and that securing the United States' participation is vital to ensuring that meaningful emission reductions are achieved, the United States could work to structure international agreements in such a way as to gain a disproportionate amount of the efficiency surplus, which could take the form of lump-sum payments. n135 But even in the absence of universal participation and such wealth transfers, projections indicate that the economic gains from Pigovian taxes are largest when also imposed by other countries. n136 Even if imposed unilaterally, though, Pigovian taxes would likely provide the United States with cost savings in foreign policy. As an additional weapon in the nation's arsenal, climate change agreements present an opportunity for the United States to impose its will on other countries. Diplomats might shape climate change [\*166] initiatives to the United States' advantage by promoting American-made technologies, for example. Moreover, such cooperative international engagement is relatively inexpensive in comparison to exercises of military might, thus providing an opportunity to reduce or realign military spending. Not only is the pen mightier than the sword; it is cheaper to use.

#### The alternative to effective US energy diplomacy is a host of international conflicts that devastate American progress

Turgeon ‘10

[Evan N. Turgeon, Legal Associate at the Cato Institute; J.D.University of Virginia School of Law 2009; B.A. Tufts University 2004, “Triple-Dividends: Toward Pigovian Gasoline Taxation,” Journal of Land, Resources, & Environmental Law 2010, pg lexis]

C. Foreign Policy Detriment In 1828, James Madison expressed his fear that insufficient governmental intervention in economic matters might betray American interests, writing, "[a] nation leaving its foreign trade, in all cases, to regulate itself, might soon find it regulated, by other nations, into a subserviency to a foreign interest ... ." n47 Just this has occurred in petroleum markets. "To the extent OPEC could maintain high and stable world oil prices, it replaced the [government supply] and import controls that had set the terms for energy markets in the United States for many [\*154] years before the [1973 energy] crisis." n48 Since the crisis, OPEC-controlled petroleum markets have cost Americans dearly. n49 Ensuring a steady supply of foreign oil requires enormous foreign policy expenditures, which must be considered in evaluating the appropriateness of current energy policies. 1. Wealth Transfers to OPEC In 2007 alone, the United States imported over 4.9 billion barrels of oil. n50 At an average price of $ 66.29 per barrel, n51 this works out to over $ 325 billion sent overseas. Not only do these expenditures represent lost opportunities for the domestic economy, n52 but much of this money was sent to countries such as Russia, Iran, and Venezuela - countries whose strategic objectives conflict with those of the United States in many policy areas. Revenue from oil sales provides these countries the financial resources to expand their national powers, potentially to the detriment of the United States. n53 Especially problematic is the fact that OPEC member countries control 41% of the world petroleum reserves under national oil companies. n54 In the middle of the 20th century, the "Seven Sisters," a group of privately held oil companies, exerted a great deal of control over oil markets, and "responded to price signals to explore, invest, and promote technologies necessary to increase production." n55 The oligopoly of national oil companies that now control oil markets operate under vastly different incentives, limiting investment and restricting production to keep prices high and prolong the production horizon. n56 In so doing, OPEC reaps profits by undermining economic efficiency in world oil markets. n57 [\*155] 2. Costly International Relations Moreover, the United States' military, which maintains bases throughout the world, has as one of its strategic goals ensuring a supply of foreign oil for importation and domestic consumption. Funding such strategic holdings requires enormous annual expenditures. Estimates of the United States' FY 2009 military budget range from $ 515.4 billion n58 to $ 713.1 billion, n59 based on which items are included. Although United States military policy does not consider ensuring an adequate oil supply its only strategic objective, it is safe to assume that **defense expenditures could be reduced substantially** if foreign oil were less vital to the nation's stability. High oil demand imposes an additional foreign policy cost on the United States: it raises the cost of international relations. The United States' refusal to participate in international climate change initiatives impairs the country's legitimacy in the global community. This may increase the political costliness of foreign government compliance with the strategic objectives of the United States, requiring greater American concessions in exchange for international cooperation. The historical refusal of the United States to bind itself to multilateral energy use agreements also ensures that Americans will take little part in the deliberation over and drafting of such policies. n60 **International law detrimental to the U**nited **S**tates**' interests may result**.

### HTF Good: Climate Impact

#### Climate change is occurring now and risks extinction – increasing funding for the HTF makes fuel more expensive and results in *way* less traffic, which solves

Abelkop ‘9

[Adam, J.D. Candidate, University of Iowa College of Law, 2010; B.A., Wake Forest University, “Why the Government Should Drink Your Milkshake: The Case for Restructuring the Federal Gas Tax,” The Journal of Corporation Law Winter, 2009, 35 Iowa J. Corp. L. 393 pg lexis]

Climate change is human-induced, caused by emissions of greenhouse gases (GHGs), primarily carbon dioxide (CO(2)). n14 Although the burning of coal is the largest fossil fuel source of GHG emissions, n15 oil burned primarily through the transportation sector also contributes materially to climate change. The Energy Information Administration indicates that among end-use sectors, the transport sector is responsible for roughly one-third of all carbon dioxide emissions and "has led all U.S. end-use sectors in emissions of carbon dioxide since 1999." n16 Energy experts, therefore, reason that "the increasing levels of emissions from transport suggest that stronger mitigation efforts may be necessary for this sector." n17 Because of its potentially dire consequences, climate change must be taken seriously. n18 Projections as to the extent of warming and its consequences vary in degree and reliability. n19 A consensus of scientific authorities, however, indicates that positive [\*397] feedbacks n20 and climatic oscillation as a result of atmospheric warming may be sudden and severe, n21 triggering a number of undesirable events such as acute biodiversity loss, n22 sea-level rise, n23 enhanced droughts and floods, n24 disruption of the Atlantic Current, n25 the spread of insect-borne and other diseases, n26 and international conflicts over adversely affected agricultural, land, and water resources. n27 Taken together, these factors could ultimately culminate in the extinction of an alarming number of species and stress the global economy to its breaking point. n28 Many of these projections may seem unduly alarmist; however, uncertainty as to the extent of the consequences of global climate change is a reason to err on the side of caution. n29

### Growth Good: Turns China

#### Economic collapse turns china

Green and Schrage 9

(Michael J Green is Senior Advisor and Japan Chair at the Center for Strategic and International Studies (CSIS) and Associate Professor at Georgetown University, Steven P Schrage is the CSIS Scholl Chair in International Business and a former senior official with the US Trade Representative's Office, State Department and Ways & Means Committee, March 26, “It’s Not Just the Economy, Asia Times, http://www.atimes.com/atimes/Asian\_Economy/KC26Dk01.html)

The greater danger with China is not an eclipsing of US leadership, but instead the kind of shift in strategic orientation that happened to Japan after the Great Depression. Japan was arguably not a revisionist power before 1932 and sought instead to converge with the global economy through open trade and adoption of the gold standard. ¶ The worldwide depression and protectionism of the 1930s devastated the newly exposed Japanese economy and contributed directly to militaristic and autarkic policies in Asia as the Japanese people reacted against what counted for globalization at the time. China today is similarly converging with the global economy, and many experts believe China needs at least 8% annual growth to sustain social stability. Realistic growth predictions for 2009 are closer to 5%. ¶ Veteran China hands were watching closely when millions of migrant workers returned to work after the Lunar New Year holiday last month to find factories closed and jobs gone. There were pockets of protests, but nationwide unrest seems unlikely this year, and Chinese leaders are working around the clock to ensure that it does not happen next year either. However, the economic slowdown has only just begun and nobody is certain how it will impact the social contract in China between the ruling communist party and the 1.3 billion Chinese who have come to see President Hu Jintao's call for "harmonious society" as inextricably linked to his promise of "peaceful development". ¶ If the Japanese example is any precedent, a sustained economic slowdown has the potential to open a dangerous path from economic nationalism to strategic revisionism in China too.

### Growth Good: Climate Change / Warming

#### Economic downturn causes destroys anti-climate change efforts

Dawson ‘8

Bill Dawson, Yale Forum on Climate Change and the Media, 11-11, 2008, “Obama, Financial Crisis, Climate Change: Rocky Road Ahead for Journalism and Climate,” online: http://www.yaleclimatemediaforum.org/2008/11/obama-financial-crisis-and-climate-change/

After Hurricane Katrina, An Inconvenient Truth, the 2007 reports by the Intergovernmental Panel on Climate Change, and other events pushed the climate change issue higher on the public agenda, it may have seemed that it wouldn’t soon slide back down.¶ That assumption was weakened earlier this year when soaring gasoline prices prompted election-year sloganeering keyed to public concerns - “drill here, drill now, pay less,” and “drill, baby, drill.”¶ The congressional defeat in June of the Lieberman-Warner climate bill was attributed in large part to worries about extra costs that its cap-and-trade program would impose for cutting greenhouse emissions, as high prices at the pump provided an uneasy backdrop.¶ Then came the early fall financial meltdown, stock market collapses, and bailouts, with predictions of a deep recession. Intensifying economic worries, combined with cascading 401(k) accounts, sharpened the financial focus of a presidential race in which both major candidates had endorsed the cap-and-trade concept.¶ With the election now past, economy-related questions loom large for the climate issue and for reporters covering it. Will the economic and financial crisis and its continuing after-effects eclipse concerns about climate change, at least for the foreseeable future, relegating climate change, at best, to the inside pages?¶ Less coverage? Different coverage? More attention to the intersection of climate, energy, economy, and politics? Fewer stories on the science of climate change, and more on policy-focused debates about strategies for dealing with it?¶ Time magazine’s Bryan Walsh wrote an article in October that was headlined, “Will the Environment Lose Out to the Economy?”¶ In it, he juxtaposed scientists’ and environmentalists’ warnings about severe consequences of global warming and mounting worries about the dire consequences of a global economic collapse: “What happens when another more alarming, more immediate catastrophe co-opts people’s fear?”¶ Capturing the uncertainty of the moment, Walsh continued: “With the tanking economy dominating the news, and the government willing to virtually bankrupt itself to bail out the financial sector, it could be hard to push the climate change agenda - and possibly hard to find any money left to support it.”

#### Growth’s a pre-requisite to dealing with climate change

Elliot ‘8

(economics editor, The Guardian, (Larry, “Can a dose of recession solve climate change?,” The Guardian, August 25, <http://www.guardian.co.uk/business/2008/aug/25/economicgrowth.globalrecession>)

Politically, recessions are not helpful to the cause of environmentalism. Climate change is replaced by concerns about unemployment and stimulating growth. To be fair, politicians respond to what they hear from voters: Gordon Brown's survival as prime minister depends on how well his package of economic measures is received, not on what he does or doesn't do to limit greenhouse gases. Looking back, it is clear that every advance in the green movement has coincided with period of strong growth - the early 1970s, the late 1980s and the first half of the current decade. It was tough enough to get world leaders to make tackling climate change a priority when the world economy was experiencing its longest period of sustained growth: it will be mightily difficult to persuade them to take measures that might have a dampen growth while the dole queues are lengthening.Those most likely to suffer are workers in the most marginal jobs and pensioners who will have to pay perhaps 20% of their income on energy bills. Hence, recession does not offer even a temporary solution to the problem of climate change and it is a fantasy to imagine that it does. The real issue is whether it is possible to challenge the "growth-at-any-cost model" and come up with an alternative that is environmentally benign, economically robust and politically feasible. Hitting all three buttons is mightily difficult but attempting to do so is a heck of a lot more constructive than waiting for industrial capitalism to collapse under the weight of its own contradictions.

#### Economic decline derails climate change solutions

Okonski and Boin ‘8

[Kendra and Caroline. Environment Program at the Intl Policy Network. “Protectionism May be Harmful to All” International Policy Network, 2/3/8 ln]

The idea behind such protectionism is to create a "level playing field" -- where European and American producers are not disadvantaged by their self-imposed restrictions on greenhouse gas emissions. But instead of leveling the playing field, this game would artificially make all players one-legged and one-armed. The benefits of trade would be replaced by losses in consumer welfare and environmental degradation. Whereas the beneficiaries of liberalization are widely dispersed, the beneficiaries of trade restrictions are concentrated and tend to be very effective in lobbying national governments to "protect" their business from competition, especially when supported by moralists, such as environmentalists, who claim that such protections benefit the earth. Thus, Greens, big business and organised labor unite. The Lieberman-Warner bill is endorsed not only by major Green groups but also by electricity providers and their associated trade unions. Similarly, various European trade unions have applauded calls for punitive trade measures against non-EU competitors. But in reality, it is far more moral to support liberalization. Trade barriers of any kind, including "green" subsidies, tariffs and quotas, harm both consumers and producers. They artificially increase costs, leading to unnecessary waste of scarce natural and human resources. Consumers and producers spend more to purchase the same goods and services, so have less to invest in new technologies or to save for the future. Although some claim that trade barriers would help the environment, they are actually counterproductive. They favor the status quo by rewarding inefficient producers and thus delaying the adoption of cleaner, resource-saving technologies. Consider bananas. These could be grown in the cold climates of Finland, Canada, and Russia. But to do so would be farmore costly than growing them in warm places, and then exporting them to consumers around the world. Which is why theyare grown in places such as Costa Rica and the Ivory Coast. As a result bananas are less expensive and resources areused more sustainably. Poor countries would suffer disproportionately from green trade barriers -- with adverse effects on both people and the environment. Protectionism will mean fewer products from poor countries being sold to industrialized countries. So local companies will have less money to invest in new, cleaner technologies. Instead, they will continue to use older, dirtier production methods and thus will use scarce resources less sustainably. This effect would be exacerbated by reduced investment from multinational companies. Moreover, less trade means less wealth, which translates into fewer resources available to invest in environmental conservation. India demonstrates the follies of protectionism. Until 1984, India had one car manufacturer, which produced just one car -- the Ambassador -- which was technologically inferior, belched pollutants, and was unaffordable to all but theelite. In 1984, India began to open its market to foreign car producers. This process exploded after the reforms of 1991and millions of Indians have benefited from competition, purchasing cars that are less expensive, cleaner, moretechnologically advanced and efficient. Environmental ideologues continue to make dour prognostications about our planet's future, claiming that we all must consume less, have fewer children and trade less with each other to address climate change. Based on their scaremongering and frankly embarrassing record of false predictions in recent decades, these claims should not be heeded seriously. Such demands may suit the protectionist agenda but they have little merit in terms of their practical ability to enable humanity to use scarce natural and human resources in an ever-more sustainable manner. The competitive market process, underpinned by free trade between and within nations, is inherently more sustainable than the regulated economy advocated by eco-doom mongers. Protectionism, naked or cloaked in green, harms the vast majority of people as well as the environment -- and is best avoided.

#### Turns case: Collapse of business confidence harms the environment, and increases emissions in other countries

Myers ‘2

[Jason. Maclean's <http://www.rsicopyright.com/ics/prc_main/prs_request.html> Nov 11 2002 ]

Myers: Well, I wouldn't underestimate the competitiveness problem. Before we talk about the long term, we have to make sure companies are going to be around for the long term. Profit margins are pretty thin right now in the middle of an economic slowdown. If we're going to increase the cost of doing business --with no tax incentives that could make it easier for industry to adjust -- then the signal we're sending out is going to affect investment decisions, and the impact could be quite large. This means a loss of production from Canada to the United States or Mexico, and that just means we'll be exporting greenhouse gas emissions to other countries. That certainly doesn't benefit the environment.

#### More ev – US trade leadership key to warming

Antholis and Talbott ‘7

[Will and Strobe. Managing Director and President of Brookings. “Tackling Trade and Climate Change” Brookings, 2007.]

For both trade and climate change, unlocking the domestic and international impasses not only can happen simultaneously, but it should do so. Progress on trade talks can happen only if the new President works for a new domestic consensus on trade liberalization that involves bipartisan support for the structure of the international trading regime. Likewise, on climate change, the new President must foster a domestic consensus on how to reduce emissions, as well as an international consensus on the global framework, including the roles and responsibilities of industrial and developing countries. The next President should therefore make the most of the natural linkages and common features between these two global challenges. First, the future of both these issues requires bipartisan political approaches capable of generating legislative majorities while conducting extensive negotiations with other countries. In the past, the United States often negotiated international treaties first, and then tried to develop a domestic consensus. Switching the order of these activities empowers negotiators, because it shows that America is willing to lead. Investment in biofuels has promise for addressing both trade and climate concerns. The resources needed for these investments could come by reducing less productive agricultural subsidies. Moreover, investment in retiree health and pension benefits could help address the concerns of organized labor around both issues. These are obviously large policy undertakings, but some immediate attention to them could help persuade American farmers and workers that their leaders are not sacrificing them at the altar of global leadership. Bipartisan mechanisms that link negotiations to the domestic legislative processes, and vice versa, also would help. The next President should involve a core set of Senators and Representatives from both parties in regular consultation on the issues, possibly even in the negotiations themselves. He or she also should reach out aggressively to key non-governmental stakeholders, including religious constituencies. Once domestic action is taken, the President will be empowered to break global gridlocks. The support of traditional democratic allies—including the EU and Japan—is crucial, as will be that of emerging democratic powers. In both trade and climate change negotiations, the United States must address the sequencing dilemma; that is, when developing countries will not act until industrial countries do. Progress may be possible by extending the timeframes for developing countries’ compliance in exchange for a meaningful reduction target, and by establishing that they are not expected to act until industrial countries have done their part. Leadership in these two key arenas requires understanding that Americans are prepared to support international institutions, even if they don’t want world bodies that have a life of their own and an ever-expanding agenda. Keeping a focus on core competencies is critical, particularly as these two issues have begun to cross with one another.14 It would help to see the institutions as service providers to national governments, not as global bodies that will usurp the right of democratic nations to legislate for themselves. On trade, this means continuing to open the process to interested observers. Participation of corporations, farmers, and NGOs is essential to making trade law within nations. They should have as open a view as possible of what happens within WTO negotiations and dispute panels. On climate, it means lowering the treaty-making bar for the United States and making sure that key developing countries not only allow other developing countries to take on binding limits, but that the leading ones begin to commit to meaningful reductions. The next President must re-establish America’s standing as a leader in addressing global challenges. That leadership starts with actions at home. How much support a treaty or agreement has when it comes to the Congress should depend not just on what public-opinion polls say at the time, but on how much political capital the White House has invested in bringing the citizenry along with—or even prior to—the negotiations. American Presidents have historically spoken of the importance of both leadership and of democracy. Global problems such as trade and climate increasingly demand democratic systems to undertake enormous domestic change in the name of a global cause. While this is certainly a challenge, it is also an opportunity for an American President to demonstrate that there is no problem too big, complex, or long-term for the United States to lead in its resolution.

#### Talks key to solve for warming – international compliance

DeAngelis ‘8

[Stephen. International Climate Expert, Staffer @ LA Times. “The Collapse of the Doha Round” The LA Times, 30 July 08. Lexis]

The collapse of the talks is not entirely unexpected -- they have been failing for seven years. Since the focus of the talks was agricultural trade, it's ironic that they collapsed in a year when food shortages and high food prices have captured so many headlines. For the record, this is not the first time that Doha Round talks have collapsed. I was writing on the same subject at the same time last year [[Doha Trade Talks & Globalization's Future](http://enterpriseresilienceblog.typepad.com/enterprise_resilience_man/2006/08/this_weeks_econ.html)]. In that post, I noted that "developing states want tariffs removed from agricultural products imported into developing nations, while farmers in developing states fear that an influx of cheap agricultural products from abroad will ruin the market for domestic products." This year's food shortages has raised the fear of collapsing domestic markets to the level of a security issue and has entrenched the position of developing states just as the developed states were willing to make concessions. I went on to note: "Emotions always run high whenever domestic food production is discussed. History is filled with tales of famine and death and that specter haunts the collective conscience of most nations. The *Economist* [“[The Future of Globalization](http://www.economist.com/opinion/displaystory.cfm?story_id=E1_SNNPRQG),” 27 July 2006], however, believes a diminishing commitment to global trade is also at fault. 'It is not just the narrow business of the Doha round (if narrow is a fit adjective for an ambition to lift millions out of poverty, curb rich countries' ruinous farm support and open markets for countless goods and services) that is at stake. In the long run, the lack of commitment to multilateral trade that sank the Doha round this week will also start to corrode the trading system as a whole.' "To me, the collapse of the Doha round of trade talks demonstrates that the international system is not as resilient as it could or should be. It also indicates the abject failure of leadership by developed nations in putting forth a vision and paradigm to lift the less developed nations into a position where they can be fully integrated nations sharing in the benefits of globalization." Returning to what happened this year, Faiola and Lakshmi report: "The failure of the talks after nine days of intense negotiations underscored what is likely to be the biggest challenge in coming years to expanding world trade: the reluctance of emerging juggernauts such as India and China to risk their newfound success by offering rich nations greater access to the hundreds of millions of consumers rising out of poverty in the developing world. High-level delegations from the United States and the European Union showed fresh willingness at the World Trade Organization talks to make concessions that would have gradually curbed the subsidies and tariffs they have long employed to protect First World farmers. But India and China dug in their heels, insisting on the right to keep protecting their farmers while accusing the United States and other rich countries of exaggerating the generosity of their concessions." India and China undoubtedly relish their newfound global influence and honestly believe their positions are in the best interests of their agricultural sectors, but most pundits also believe their positions are shortsighted and threaten the future of global trade. For both of these emerging juggernauts, that would be disastrous. Faiola and Lakshmi continue: "'The breakdown of these talks is bad news for the world's businesses, workers, farmers and most importantly the poor,' said Thomas J. Donohue, president of the U.S. Chamber of Commerce. 'It's ironic that this blow ... came from two of the chief beneficiaries of worldwide trade. India and China are emerging powers, but with great power comes great responsibility. They missed an opportunity to show leadership as key players in the global trading system.' The result is what most experts concede is at least a temporary mothballing of the Doha Round of trade talks, so named because a group of nations agreed to work toward dramatic new cuts in subsidies and trade tariffs in Qatar's capital, Doha, in 2001. The talks have floundered for the past seven years, with negotiations falling apart each time trade ministers have gathered to try to hash out an accord." Castle's and Landler's article agree that this latest collapse is a setback for globalization. "The failure appeared to end, for the near term at least, any hopes of a global deal to further open markets, cut farm subsidies and strengthen the international trading system. 'It is a massive blow to confidence in the global economy,' said Peter Power, spokesman for the European Commission. 'The confidence shot in the arm that we needed badly will not now happen.' ... Supporters of the so-called Doha round of talks, which began in 2001, say a deal would have been a bulwark against protectionist sentiments that are likely to spread as economic growth falters in much of the world. The failure also delivers a blow to the credibility of the World Trade Organization, which sets and enforces the rules of international commerce. It could set back efforts to work out other multilateral agreements, including those intended to reduce the threat of global warming.

#### Doha round key to alternative energy sustainability

Lamy ‘7

[The Head of the WTO. “Lamy: Doha Could Deliver Double-Win for Environment and Trade” [www.wto.org](http://www.wto.org), 9 Dec]

There is no doubt that trade regulations are not, and cannot be, a substitute for environmental regulations. Trade, and the WTO toolbox of trade rules more specifically, can — at best - offer no more than part of the answer to climate change. It is not in the WTO that a deal on climate change can be struck, but rather in an environmental forum, such as the United Nations Framework Convention on Climate Change. Such an agreement must then send the WTO an appropriate signal on how its rules may best be put to the service of sustainable development; in other words, a signal on how this particular toolbox of rules should be employed in the fight against climate change. Absent such a signal, confusion will persist on what would constitute an appropriate response by multilateral trading system. Let us take the issue of the international trading system's carbon footprint for instance. Much is said in the press everyday about the carbon footprint of international transportation. In fact, a new and emerging concept is that of “food miles.” In other words, the desire of consumers in certain countries to calculate the carbon emitted in the course of international transportation, with many already drawing the conclusion that it may be better to (quote unquote) “simply produce goods at home” to minimize emissions. But that argument does not always stand up to empirical verification. In fact, 90% of internationally traded goods are carried by sea. And maritime transport is by far the most carbon-efficient mode of transport, with only 14 grams of CO2 emissions per ton kilometre. Shipping is followed by train transport, then road transport. Air transport has by far the highest CO2 emissions per ton kilometre (a minimum of 600 grams), illustrating the high relative climate impact of such transport. In addition, various studies conducted on the “carbon mileage” of traded goods, have shown that the issue can often be counter-intuitive, if I may say so. For instance, some studies show that a Kenyan flower that is air-freighted to Europe emits 1/3d of the CO2 of flowers grown in Holland. Others show that New Zealand lamb that is transported to the United Kingdom can actually generate 70% less CO2 than lamb produced in the UK. Similarly, some of the fertilizers produced in the United States and transported to Europe can generate 13% less CO2 than fertilizer produced in Italy. And so on. Now, I am not saying that this will always be the case, but surely then, this is an issue in need of case-by-case analysis, and empirical verification. In the case of food, in particular, we must not ignore the cost of greenhouses in colder climates, and of energy-expensive out-of-season storage. Only a multilateral approach to climate change would allow us to properly address these issues. A multilateral agreement, that includes all major polluters, would be the best placed international instrument to guide other instruments, such as the WTO, as well as all economic actors on how negative environmental externalities must be internationalized. Only with such an instrument can we move towards the proper pricing of energy. Similarly, only such an accord could act as a proper arbiter of the measures that are indeed environmentally necessary at a country's border. In fact, an effective multilateral solution to climate change could and should do away with the need to (quote unquote) “offset” competitive disadvantages, when countries perceive themselves to be making equitable emission reductions. In other words, to be operating within an environmental architecture that would itself successfully level the playing field, based on recognized principles of international environmental law such as Common but Differentiated Responsibility. Now, in working towards an international accord on climate change, countries will certainly have to reflect on the role of international trade within such an accord. Trade leads to efficiency gains, allowing countries to specialize in what they are best at producing. And trade also leads to economic growth, offering countries the possibility of investing this growth in pollution prevention and abatement if they take the political decision to do so. But for the benefits of trade to truly materialize; in other words, for its efficiency gains to also translate into fewer greenhouse gas emissions, the right environmental context must be set for trade. In other words, energy must be properly priced, and production processes adjusted accordingly. It would then be incumbent upon the trading system to respond to such environmental rules as soon as they are crafted. The WTO tool-box of rules can certainly be leveraged in the fight against climate change, and “adapted” if governments perceive this to be necessary to better achieve their goals. The WTO has rules on product standards for instance, that encourage its members to use the international norms set by more specialized international institutions. The WTO has rules on subsidies, taxes, intellectual property, and so on. All of these tools can prove valuable in the fight against climate change, but in that fight, would need to be mobilized under clearer environmental parameters that only the environmental community can set. In the absence of such parameters, the WTO will continue to be pulled from left to right by different players, with only a faint possibility of landing in the center! Each of its members will have a different interpretation to offer on how the playing field may best be levelled. And I would caution against such an outcome; the world could end up with a real spaghetti bowl of “offsetting” measures that achieve neither nor trade nor environmental goals. There is no doubt that an immediate contribution that the WTO can make to the fight against climate change is to indeed open markets to clean technology and services. The Doha Round of trade negotiations offers an avenue for expanded access to products such as scrubbers, air filters and energy management services. But, as can be expected, what is and is not an environmental good is a topic that is hotly debated. For economists, matters appear to be clearer. They tell us that, today, the global market for environmental goods and services is estimated to be worth more than $550 billion dollars every year. The OECD estimates that green services account for 65% of this market and green goods 35%. Climate change prevention and mitigation products and services represent an important proportion of these numbers. Launched within a broader context of the Doha Round's environmental chapter, which also includes issues such as the reduction of fisheries subsidies, and enhancing the mutual supportiveness between WTO rules and multilateral environmental agreements, the negotiations on environmental good services could deliver a double-win for some our members. A win for the environment and a win for trade. For a country such as Indonesia, that is amongst the world's top 10 exporters of steam condensers, this mandate can represent such a double gain. The same for India, that is amongst the world's top 10 exporters of hydraulic turbines; or Malaysia that is amongst the world's top 5 exporters of photovoltaic cells; or Thailand that is amongst the world's top 10 exporters of filtering and purifying machinery for gases. Surely we should not miss an opportunity to open markets for clean technology and services in the Doha negotiations. But, in doing so, we should cognizant of the fact that, ultimately, it is the existence of environmental regulations that will drive demand for these goods and services. Hence the importance, once again, of setting the right environmental framework within which market opening can take place. A multilateral approach to climate change, that centers on collective action, is absolutely key.

#### Doha success key to fast-track intl action against warming. Our ev also says that the disad turns the case FASTER than the case solves the disad.

MacInnis ‘8

[Laura. Staffer @ Reuters. “WTO Talks Need Quick Restart” The AP, 9/12/8. Lexis]

Negotiations to revive the Doha Round must restart "very quickly" for a global trade deal to be salvaged after July's failed ministerial meeting, mediators of the seven-year-old talks said on Friday. "I have the sense that politically there is a readiness to have another go," New Zealand ambassador Crawford Falconer told lawmakers at an Inter-Parliamentary Union meeting in Geneva. Falconer, who chairs the World Trade Organisation (WTO) negotiations on agriculture, said the seven economies whose ministers sparred in July over an emergency tool for farmers had worked hard this week to resolve that dispute. If those seven -- the United States, European Union, Brazil, India, Japan, China, and Australia -- are able in meetings next week to narrow their gaps, Falconer said Doha Round talks involving the WTO's 153 members could then resume. "In my view, that process needs to happen very quickly," the farm chairman said. "The longer you are away from an implicit deal, the more difficulties you have putting Humpty Dumpty back together again." Economists believe a deal in the Doha Round could inject billions of dollars into the global economy, potentially creating jobs and raising incomes in the developing world. But many countries are reluctant to expose their key markets to more competition, and the talks have missed deadline after deadline since they began in Qatar in 2001. WTO Director-General Pascal Lamy convened the July summit in order to clinch a basic deal spanning farming and manufactured goods, with the intention of wrapping up Doha negotiations on cross-border services and other trade rules by the end of 2008. The July talks became ensnared on the question of when and how countries could invoke a "special safeguard measure" to protect poor farmers when import volumes spike or prices fall. Other issues, including cuts to the huge subsidies paid to U.S. cotton farmers, were not addressed in the talks, which collapsed after nine days. FRESH OFFERS Mexico's WTO ambassador Fernando de Mateo y Venturini told the Inter-Parliamentary Union session that he expected fresh offers soon in the Doha services talks he mediates. "Next year we should be able to conclude this Round," said de Mateo, whose name has circulated as a potential new chairman of the WTO's industrial goods talks following Canadian ambassador Don Stephenson's return to Ottawa this summer. WTO chief Lamy said this week that a core deal in farming and manufacturing could be completed by the end of this year, with a full deal formalised in 2009. But many diplomats have voiced concerns about ramping up negotiations before a new U.S. administration takes office in January, given Washington's stance may change as a result. Elections expected next year in India and the installation of a new European Commission at the end of 2009 also loom large. Still, Falconer said it was critically important to complete the Doha Round as soon as possible, both to reinforce the world economy and to clear the decks for another overhaul of world trade rules in light of climate change and other pressures. "The multilateral system as it relates to trade needs to tackle an agenda that is broader," he said. "Your chances of tackling a broader agenda are less likely if you are stlil trying to deal with the inherited agenda from Doha."

### Growth Good: Democracy

#### Growth is a pre-condition for democracy – empirically demonstrated across regions

Acemoglu et al ‘8

(Elizabeth and James Killian Professor of Economics at the Massachusetts Institute of Technology (Daron, with Simon Johnson, James A. Robinson, and Pierre Yared. “Income and Democracy.” The American Economic Review, Vol. 98, No. 3, pp. 808-842. JSTOR.)

One of the most notable empirical regularities in political economy is the relationship between income per capita and democracy. Today, all OECD countries are democratic, while many of the nondemocracies are in the poor parts of the world, for example sub-Saharan Africa and Southeast Asia. The positive cross-country relationship between income and democracy in the 1990s is depicted in Figure 1, which shows the association between the Freedom House measure of democracy and log income per capita in the 1990s.1 This relationship is not confined solely to a cross-country comparison. Most countries were nondemocratic before the modern growth process took off at the beginning of the nineteenth century. Democratization came together with growth. Robert J. Barro (1999, 160), for example, summarizes this as follows: "Increases in various measures of the standard of living forecast a gradual rise in democracy. In contrast, democracies that arise without prior economic development... tend not to last."2 This statistical association between income and democracy is the cornerstone of the influ ential modernization theory. Lipset (1959) suggested that democracy was both created and consolidated by a broad process of "modernization" which involved changes in "the factors of industrialization, urbanization, wealth, and education [which] are so closely interrelated as to form one common factor. And the factors subsumed under economic development carry with it the political correlate of democracy" (80). The central tenet of the modernization theory, that higher income per capita causes a country to be democratic, is also reproduced in most major works on democracy (e.g., Robert A. Dahl 1971; Samuel P. Huntington 1991; Dietrich Rusechemeyer,

### Growth Good: Developing Nations

#### Economic decline causes income disparity and widens global economic inequality – that causes prolif and flips the case

Lown ‘96

[Bernard, MD Co-Founder, IPPNW, http://www.ippnw.org/, Crude Nuclear Weapons Proliferation and the Terrorist Threat]

Nuclear apartheid cannot endure. The stimulus to proliferation derives largely from an inequitable world order and the growing economic divide between rich and poor countries. One fifth of the world lives on the edge of subsistence. At a time of potential abundance, more people are hungry than ever before. We end the century with far more desperately poor, illiterate, homeless, starving, and sick than we began. Nowhere are the inequities more in evidence than in the health sector. Eight hundred million people are without any health care at all. One-third of the world’s population lives in countries whose health care expenditures are far less than $12 per person per year (the bare minimum recommended by the World Bank) while the industrialized North spends more than $1,000 for health per person annually. Recent UN figures indicate that from 1960 to 1990, per capita income rose eight-fold in the North while increasing only half as much in the deprived lands of the South. This divide is likely to widen further while accelerating over-consumption in the North and burgeoning population pressures in the developing countries. As vital raw materials, scarce minerals, fossil fuels, and especially water become depleted, Northern affluence will be sustained by imposed belt tightening of impoverished multitudes struggling for mere subsistence. This is an agenda for endless conflict and colossal violence. The global pressure cooker will further superheat by the ongoing worldwide information revolution that exposes everyone to the promissory note of unlimited consumption, there by instilling impatience and igniting more embers of social upheaval. If desperation grows, the deprived will be tempted to challenge the affluent in the only conceivable way that can make an impact, namely by going nuclear. Their possession enables the weak to inflict unacceptable damage on the strong. Desperation and hopelessness breed religious fundamentalism and provide endless recruits ready to wreak vengeance, if necessary by self-immolation in the process of inflicting unspeakable violence on others. A nuclear bomb affords “the cheapest and biggest bang for the buck.” No blackmail is as compelling as holding an entire city hostage. No other destructive device can cause greater societal disruption or exact a larger human toll. Terrorists will soon raise their sights to vaporizing a metropolitan area rather than merely pulverizing a building.

#### Nuclear war

Bar ‘11

[Shmuel. Director of Studies at the Institute for Policy and Strategy, at the Interdisciplinary Center (IDC) Herzliya. He holds a Ph.D in History of the Middle East from Tel Aviv University. Dr. Bar served in the Israeli intelligence community for thirty years where he held senior analytical, planning, and diplomatic positions, specializing in regional security, Islamic radicalism, and terrorism in the Middle East and East Asia. Dr. Bar has published a number of books and articles focusing on radical Islam, Iranian defense doctrine, Syria, Jordan, and the Palestinians “Can Cold War Deterrence Apply to a Nuclear Iran?” [www.jcpa.org/text/cold\_war\_deterrence\_nuclear\_iran.pdf](http://www.jcpa.org/text/cold_war_deterrence_nuclear_iran.pdf), 2011]

A nuclear Middle East will be very different from the Cold War in a wide range of aspects. True, we may safely assume that the leaders and peoples of the region have no desire to be the targets of nuclear weapons. However, the inherent instability of the region and its regimes, the difficulty in managing multilateral nuclear tensions, the weight of religious, emotional, and internal pressures, and the proclivity of many of the regimes in the region toward military adventurism and brinkmanship do not bode well for the future of this region once it enters the nuclear age. Nuclear war need not erupt as a result of a conscious decision by a leadership to use nuclear weapons. It is more likely to result from escalation scenarios, misinterpretation of intentions of the other side due to poor intelligence and lack of communication between antagonists, inadvertent use, poor command and control constraints, and underestimation of the other party’s response to nuclear brinkmanship. Such behavior in a polynuclear environment would be tantamount to lighting a match in a gas depot. The countries of the region will probably be more predisposed than the Cold War protagonists to brandish their nuclear weapons not only rhetorically but through nuclear alerts or nuclear tests in order to deter their enemies, leading to situations of multilateral nuclear escalation. Once one country has taken such measures, the other nuclear countries of the region would probably feel forced to adopt defensive measures, and multilateral escalation will result. However, such multilateral escalation will not be mitigated by Cold War-type hotlines and means of signaling, and none of the parties involved will have escalation dominance. This and the absence of a credible second strike capability may well strengthen the tendency to opt for a first strike.

### Growth Good: Energy Independence

#### Growth solves energy

Thorning ‘7

[Margo. PhD in Econ, Chief Economist for the American Council for Capital Formation. “The Impact of America’s Climate Security Act of 2007” Testimony before the Committee on the Environment and Public Works, 2007]

Many policymakers overlook the positive impact that economic growth can have on GHG emission reductions. For example, in 2006, while the U.S. economy grew at 3.3 percent, CO2 emissions fell to 5,877 MMTCO2, down from 5,955 MMTCO2 in 2005, a 1.3 percent decrease. Overall energy use only declined by 0.9 percent, indicating the U.S economy is becoming less carbon intensive even without mandatory emission caps or carbon taxes. Internationally, the U.S. compares well in terms of reducing its energy intensity (the amount of energy used to produce a dollar of output). The U.S., with its voluntary approach to emission reductions, has cut its energy intensity by 20 percent over the 1992-2004 period compared to only 11.5 percent in the EU ]with its mandatory approach (see Figure 6). Strong U.S. economic growth, which averaged over 3 percent per year from 1992 to 2005 compared to about 1 percent in the EU, is responsible for the U.S.’s more rapid reduction in energy intensity in recent years.

### Growth Good: Food Security

#### Trade’s key to food stability

GN ‘8

[Gulf News. “US Bets on Doha Deal to Ease Prices” 7/2/8 ln]

US Treasury Secretary Henry Paulson on Tuesday said the United States and Germany agreed that a breakthrough in the Doha round of trade talks would help control world food price inflation, but high oil prices required longer-term solutions. Paulson, speaking at a news conference in Berlin with German Economy Minister Michael Glos, said the two nations agreed there were "no obvious short-term solutions" to high oil prices. He added the current oil price was a function of supply and demand. "There's no doubt that both our countries as well as the world are feeling the burden of high oil prices and high food prices," Paulson said after a breakfast meeting with Glos. "We agreed that a breakthrough in Doha would help us in the food area," Paulson said. "Policies that restrict trade in food products aren't helpful."

#### Doha proves that trade’s vital to food security

Reuters ‘8

[“Doha Breakthrough would Dampen Food Prices – Paulson” 7/1/8 ln]

U.S. Treasury Secretary Henry Paulson on Tuesday said the United States and Germany agreed that a breakthrough in Doha round of trade talks would help control food inflation around the world. Paulson, speaking at a news conference in Berlin with German Economy Minister Michael Glos, also said the two countries agreed there were "no obvious short-term solutions" to high oil prices. He added the current oil price was a function of supply and demand. "There's no doubt that both our countries as well as the world are feeling the burden of high oil prices and high food prices," Paulson said after a breakfast meeting with Glos. He is later meeting with German Chancellor Angela Merkel and European Central Bank chief Jean-Claude Trichet on a five day trip to Europe and Russia, where rising inflation tops the policy agenda. "We agreed that a breakthrough in Doha would help us in the food area," Paulson said. "Policies that restrict trade in food products aren't helpful. Export controls aren't helpful."

### Growth Good: Intrinsically

#### We don’t have to win that economic contractions cause war. Economic growth is intrinsically good because it provides an identity – the alternative is unemployment and collapse of the social contract.

Schwebel ‘97

[Milton. Prof of Psych @ Rutgers. “Job Insecurity as Structural Violence” Peace and Conflict, Vol 3 No 4, Dec 97. Lexis]

Psychologists and other social scientists have studied the benefits of employment over the course of more than half a century. From these studies we have learned that, to a considerable degree, work provides us with our identity, self-esteem, purpose in life, structure in daily living, and social relationships. The connection between these essentials and employment has been variously reflected in Freud's characterization of normalcy in adulthood as "loving and working"; Erikson's (1980) theory of adulthood; the life-span research of Levinson et al. (1978) with men and Roberts and Newton's (1987) research with women; and Super's (1980) life-span, life-space approach to career development. William Julius Wilson (1996), a specialist in social policy, had this to say on the effects of the disappearance of work from urban ghettoes: Work is not simply a way to make a living and support one's family. It also constitutes a framework for daily behavior, it imposes discipline. Regular employment determines where you are going to be and when you are going to be there. In the absence of regular employment, life, including family life, becomes less coherent. Persistent unemployment and irregular employment hinder rational planning in daily life, the necessary condition of adaptation to an industrial economy. (p. 30) Recent studies on subjective well-being point up the important role of work. In a review of research on happiness, Myers and Diener (1995) said: For many people, work provides personal identity: It helps define who they are. Work also adds to a sense of community: It offers people a network of supportive relationships and a "we feeling." This sense of pride and belonging to a group helps people construct their social identity. And work can add focus and purpose-a sense that one's life matters. (p. 15) For those reasons, it is not surprising that people who are out of work or are underemployed are likely to be less satisfied with life than those productively engaged. Several European social scientists assign a similar social as well as personal value to employment. A former Italian labor minister said, "Having a job means having certain rights which are connected with participation in modern democratic societies" (de Michelis, 1987, p. 171). Although a few years earlier he had deemed paid work to be the key both to the entitlement structures of modern societies and to their growth potential, by 1988 Dahrendorf described full time paid work as a "privilege" that would be available to ever fewer adults (Dahrendorf, 1988, p. 144). The meaning of paid work can be viewed from another perspective, by examining the psychological and physiological consequences of unemployment (or, at least, the variables associated with it). Prolonged unemployment has been found to be a threat to the worker, the family, and the community. In the United States, with a 1% rise in unemployment, homicides were found to increase 5.7%; suicides, 4.1 %; admissions to mental hospitals, 4.3% for men and 2.3% for women; and deaths from stress-related disorders, almost 2% (Brenner, 1976). Pines (1982) reported that in communities affected by major layoffs, significant increases were found in child abuse, parent-child conflicts, and marital disputes. Studies like those reported by Cherlin (1979), found low marital satisfaction in marriages with unstable employment. Underemployment also poses threats to individuals, who tend to feel impotent and as if they were victims of fate (Burris, 1983). The rapid increase (over 200% between 1992-1994) in the United States in the use of temporary workers is likely to exacerbate feelings of insecurity, undermine self-esteem, and increase stress in spousal and parental relationships, possibly encouraging drug abuse. For the "temps," as for all the others in disadvantaged positions in the labor market (or for those who have given up and are no longer in that market), the consequences due to insecurity about the future, not only about a job but also about health insurance and other supports, can be understood in terms of such theories as those of efficacy (Bandura, 1986), stress and coping (Lazarus & Folkman, 1984), self-concept (Rogers, 1961), and learned helplessness (Seligman, 1975). It is not only the adult worker who is affected by employment status. Children growing up in families experiencing the insecurity of unemployment or underemployment are likely to have a dim view of the future. The parent on welfare or struggling to keep the family afloat on a temporary, minimum-wage job is not a role model that motivates children to strive to learn. Just a comparison between two types of families suffices to highlight the effects: The comfortable middle-class family where the parents have time and energy as well as the educational knowledge and skill to help their children learn; and the job-insecure working class family bordering on poverty where the parents are discouraged, fearful of the future, and often lacking in energy to help the children. In sum, employment status cuts deeply into the heart of family and community life, with present and future consequences for good or ill.

### Growth Good: Prolif

#### Turns prolif

Lind, ‘9

– Michael Lind is Policy Director of the Economic Growth Program at the New America Foundation (“ How I learned to stop worrying and live with the bomb” OCT 13 . http://www.salon.com/news/opinion/feature/2009/10/13/nuclear\_weapons)¶

Superior conventional forces are the weapons of the rich. Only the most advanced industrial states can afford to build world-class conventional military forces, and paying for them is much easier if an economy is large and dynamic. This is good news. Countries with large and dynamic economies tend to have relatively rational if not necessarily democratic governments and to be committed to the geopolitical status quo. Nazi Germany, rich but irrational, committed suicide in a short period of time, and the Soviet Union eventually fell apart because its economy could not support its massive conventional and nuclear forces. Today's rapidly developing China is far more prudent and responsible than Mao's China. Nuclear weapons, by contrast, are weapons of the weak. They can be acquired by regimes that, because of poverty or ideology, are incapable of developing the world-class economy needed to support world-class conventional forces. It is easier for North Korea to build an atomic bomb than a fleet of aircraft carriers.

#### Economic growth solves proliferation

Burrows and Windram 94 (William & Robert, Critical Mass, p. 491-492) LL

Economics is in many respects proliferation’s catalyst. As we have noted, economic desperation drives Russia and some of the former Warsaw Pact nations to peddle weapons and technology. The possibility of considerable profits or at least balanced international payments also prompts Third World countries like China, Brazil, and Israel to do the same. Economics, as well as such related issues as overpopulation, drive proliferation just as surely as do purely political motives. Unfortunately, that subject is beyond the scope of this book. Suffice it to say that, all things being equal, well-of, relatively secure societies like today’s Japan are less likely to buy or sell superweapon technology than those that are insecure, needy, or desperate. Ultimately, solving economic problems, especially as they are driven by population pressure, is the surest way to defuse proliferation and enhance true national security.

### Growth Good: Relations / Softpower / Competitiveness

#### Growth’s key to innovation – vital internal link

Froning ‘2k

[Denise. Trade Analyst at the Center for Intl Trade at Heritage. “The Benefits of Free Trade: A Guide for Policymakers” Backgrounder #1391, September 2000]

Benefit #1: Free trade promotes innovation and competition.¶ Few people in America today sew all their own clothes, grow all their own food, build their own houses, or buy only products made in their own states. It would cost too much and take too much time, especially since Americans can acquire such items on the open market with relative ease. The same principle of practicality and cost applies on an international scale. It makes economic sense to buy a product from another who specializes in such production or who can make it more easily or for less cost.¶ Indeed, access to a greater variety of goods and services is the purpose of trade. Imports, then, are not a sacrifice, a necessary evil for the good of exporting. One exports so that one may acquire goods and services in return. This logic is evident on a personal level as well: A person works so that he has the means to buy necessities and possibly even luxuries. One does not make purchases in order to justify working.¶ Free trade is the only type of truly fair trade because it offers consumers the most choices and the best opportunities to improve their standard of living. It fosters competition, spurring companies to innovate and develop better products and to bring more of their goods and services to market, keeping prices low and quality high in order to retain or increase their market share.¶ Free trade also spurs innovation. The U.S. market has demonstrated repeatedly, particularly over the last decade, that competition leads to increasing innovation. This is evident, for example, in the intense competition to create the latest personal computer at the lowest cost. With the growth of electronic commerce has come unlimited choices of goods and services and lower prices for products. Computers are now available for free just for signing an annual Internet provider service agreement.[6](http://www.heritage.org/Research/TradeandForeignAid/BG1391.cfm#pgfId-1105294)¶ In fact, America's greatest advantage lies in its ability to innovate and to build upon that continually expanding knowledge base. According to *The Economist* , the United States "has an `innovational complex'--those thousands of entrepreneurs, venture capitalists, and engineers--unmatched anywhere in the world."[7](http://www.heritage.org/Research/TradeandForeignAid/BG1391.cfm#pgfId-1105298) This resource results in an ever-growing number of new products and services that bolster America's competitive advantage in the global market and greater prosperity at home.¶ This competitive advantage derives largely from America's open market practices. Free trade promotes innovation because, along with goods and services, the flow of trade circulates new ideas. Since companies must compete with their overseas counterparts, American firms can take note of all the successes as well as the failures that take place in the global marketplace. Consumers then benefit because companies in a freely competing market must either keep up with the leader in order to retain customers or innovate to create their own niche.

#### Trade collapse tanks US influence and competitiveness – other nations will blame us

Davis and Miller ‘8

[Bob and John. WSJ Trade Experts. “Doha’s Collapse: The Fallout: Trade Talks’ Failure Weighs on Other Issues; Global Cooperation Falters, Clouding Hopes on Emissions” 7/31/8. The WSJ, Lexis]

The demise of the Doha world trade talks because of splits between wealthy and developing nations suggests other global undertakings, from slashing greenhouse-gas emissions to ending food-export restrictions, also will face hurdles. Efforts at global cooperation are all grappling with the same forces: a resurgence of nationalism across the globe, muscle-flexing by emerging economic giants such as China and India, and a fraying of the Cold War ties that bound many developing countries to the U.S. and Europe. "The way the Doha Round collapsed is a preview of what we're likely to see in other negotiations," said Kimberly Elliott, a senior fellow for the Center for Global Development, a Washington think tank. "Emerging markets [such as China and India] are taking a big role," she said, sometimes elbowing out even poorer nations. "If the Doha Round repeatedly fails, this will cast doubt on the ability of all parties to find solutions to complex problems, such as climate change, high oil prices and food prices within a global framework," said a commentary by China's official Xinhua news agency. The Doha Round collapsed after China and India insisted on having the right to reimpose tariffs -- or raise them -- if there were a surge in food imports. In terms of impact on economic growth, the issues at stake in the round were fairly small compared to the global-warming debate. Limiting the rise of greenhouse gases could hit growth by forcing industry to retool factories and consumers to alter lifestyles. That sacrifice could prompt an even fiercer reaction from New Delhi and Beijing. The U.S. is similarly worried about how a global climate-change regime would affect economic growth. During Senate discussion recently on a plan to cap emissions through a system of tradable pollution permits, much of the focus was on how to penalize countries such as China and India if they didn't also limit emissions. Essentially, the bill would have imposed tariffs on imports of steel, iron, glass, cement and paper from such countries. "There is more support in the Senate for the import [restriction] provision -- a China bashing measure -- than the overall cap-and-trade system," said Robert Stavins, a Harvard University expert on global-warming policy The U.S. cap-and-trade measure failed on a procedural vote. But a version of the bill is bound to come up again next year because both presidential candidates back cap-and-trade systems. Negotiators had been working on a Doha trade agreement for seven years, and often stalled. At this week's Geneva trade summit, the parties seemed closer than ever to reaching a deal because the U.S. and Europe had made long-sought concessions on agricultural subsidies. They hoped to entice developing nations to open their markets further to U.S and European manufacturers and service companies. Brazil, a leader among developing nations and a big agricultural exporter, signed on. Despite intense pressure to go along, India and China balked. Under World Trade Organization rules, all 153 members must agree on a deal. In practice, only the economically important players get a real say. No African country was among the seven nations that conducted most of the negotiations. The issue of U.S. cotton subsidies, which is of vital interest to Africa's four cotton-producing nations, wasn't even discussed. The failure of the talks isn't likely to have big effects immediately on the flow of world trade or on economic growth. Outside of agriculture and textiles, trade barriers generally are low globally because of decades of tariff cutting. But the consequences of the failure were still significant because of the message about the difficulty in reaching global agreements. "This is the first failure of a multilateral trade agreement since the 1930s," an era of protectionism, said Fred Bergsten, director of the Peterson Institute for International Economics. The absence of trade liberalization, he predicted, would lead to an increase in efforts to protect domestic industries around the globe from competition. Although WTO chief Pascal Lamy held out hope that the talks could be revived once again, European Union Trade Commissioner Peter Mandelson said the Geneva talks represented a "burial" for the Doha round. Given the U.S.'s leading role in trade policy, the Doha failure essentially hands off the issue to the next president, who is unlikely to make it a top priority. Daniel Tarullo, a Georgetown University law professor who advises Sen. Barack Obama, said "U.S. negotiators were right to walk away from what was shaping up to be a bad deal for the United States," although he said negotiators "should not abandon their efforts." Philip Levy, an American Enterprise Institute economist who advises Sen. John McCain, said the inability to reach a deal "calls into question some of the underpinnings of the global trading system." Instead of global deals, patchwork efforts on global trade issues may become the norm. In another area of global concern -- the barriers to food exports erected by several dozen countries in response to rising prices -- the World Bank has tried to persuade countries individually to change their policies by appealing to their national interests. The bank's president, Robert Zoellick, a former U.S. trade representative, argued to countries that they will wreck their credibility as exporters if they cut back in times of global trouble. Future trade deals may focus more on narrower national interests, rather than Doha-style talks that call for countries to make concessions in one area to make gains in another. One possible model is a kind of "coalition of the willing" approach. The model is the Information Technology Agreement signed in 1996, which set zero tariffs on new technology goods for countries that signed on. About half the WTO's members have done so.

### Growth Good: Terrorism

#### Depression means more terror recruitment and motivation

Fandl 4, Adjunct Law Professor @ Washington College of Law, ‘4

(Kevin J, 19 Am. U. Int'l L. Rev. 587)

In his final speech in the United Kingdom as President of the United States, Bill Clinton stressed: "we have seen how abject poverty accelerates conflict, how it creates recruits for terrorists and those who incite ethnic and religious hatred, [and] how it fuels a violent rejection of the economic and social order on which our future depends." 50 His words carried more significance than he could have known at that moment. 51¶ The terrorist networks that have come about in recent history are a significant threat to world security not only because of the suicidal methods they employ, but also because of the status of the countries [\*598] where these networks recruit new members, engage in training exercises and where the leadership seeks refuge. These countries are not equipped politically or economically to design proactive plans to uproot such organizations in their own countries, despite their expressed efforts to do so. 52 They are developing countries with weak, or no, democratic political structure with which to coordinate such efforts. They do not have the resources that European countries, for instance, have in place to take preventative measures in order to sustain peace. 53¶ The George W. Bush Administration indicated that it "is aware of the link between desperate economic circumstances and terrorism." 54 Yet, rather than working to develop sustainable economies capable of both directly (through increased political pressure and rule of law programs) and indirectly (through increased employment opportunities and social stability) eradicating terrorism, President Bush has chosen to dedicate significant resources to a military conquest against the elusive concept of terrorism itself. 55 Many Americans and, to a much lesser extent, other Western citizens, support the view that terrorism can be fought with tanks and [\*599] bombs. 56 They obstinately believe that military technology is capable of uncovering each potentially threatening terrorist cell and keeping the West safe. 57 This conventional method of warfare, while effective in pinpointing targets in complete darkness, will be useless in eliminating the ideology that fuels terrorism. Terrorists are non-conventional actors using non-conventional means through amorphous concepts that cannot be identified, contained, or labeled. These are actors whose most potent weapon is the communication of ideas among masses of people awaiting an opportunity for a better life. Many of us watch in excited anticipation for Osama bin Laden's capture and/or death. However, we should rest assured that whether he is still alive will have no bearing on the control that his ideas, and the ideas of those like him, have on the impoverished and desperate in the Middle East, South Asia, and perhaps beyond. No military technology will be able to destroy the prevalence and furtherance of those ideas. 58

#### Economic collapse leads to terrorism

Bremmer 9

(Ian, - President of the Eurasia Group, sr. fellow @ World Policy Institute, , 3/4/09, Foreign Policy, http://eurasia.foreignpolicy.com/posts/2009/03/04/the\_global\_recession\_heightens\_terrorist\_risks)

But there's another reason why the financial crisis heightens the risk of global terrorism. Militants thrive in places where no one is fully in charge. The global recession threatens to create more such places. No matter how cohesive and determined a terrorist organization, it needs a supportive environment in which to flourish. That means a location that provides a steady stream of funds and recruits and the support (or at least acceptance) of the local population. Much of the counter-terrorist success we've seen in Iraq's al Anbar province over the past two years is a direct result of an increased willingness of local Iraqis to help the Iraqi army and US troops oust the militants operating there. In part, that's because the area's tribal leaders have their own incentives (including payment in cash and weaponry) for cooperating with occupation forces. But it's also because foreign militants have alienated the locals. The security deterioration of the past year in Pakistan and Afghanistan reflects exactly the opposite phenomenon. In the region along both sides of their shared border, local tribal leaders have yet to express much interest in helping Pakistani and NATO soldiers target local or foreign militants. For those with the power to either protect or betray the senior al-Qaeda leaders believed to be hiding in the region, NATO and Pakistani authorities have yet to find either sweet enough carrots or sharp enough sticks to shift allegiances. The slowdown threatens to slow the progress of a number of developing countries. Most states don't provide ground as fertile for militancy as places like Afghanistan, Somalia, and Yemen. But as more people lose their jobs, their homes, and opportunities for prosperity -- in emerging market countries or even within minority communities inside developed states -- it becomes easier for local militants to find volunteers. This is why the growing risk of attack from suicide bombers and well-trained gunmen in Pakistan creates risks that extend beyond South Asia. This is a country that is home to lawless regions where local and international militants thrive, nuclear weapons and material, a history of nuclear smuggling, a cash-starved government, and a deteriorating economy. Pakistan is far from the only country in which terrorism threatens to spill across borders.

#### Growth solves terror

Odriscoll and Fitzgerald ‘2

[Gerald and Sara. Dir of Trade Policy and Trade Analyst, respectively, at Heritage. “Trade Promotes Prosperity and Security” 12/18/2, www.heritage.org]

As President Bush recognizes, "freedom is the non-negotiable demand of human dignity; the birthright of every person--in every civilization."15 The defense of free markets thus provides a moral as well as pragmatic basis for U.S. foreign policy.Free markets offer the option of prosperity over poverty and provide opportunities for the world's poorest to advance. None benefit more from an open trading environment than the citizens of developing countries. As noted by New Zealand's Mike Moore, the former head of World Trade Organization, "Free trade is the best hope of the worst off."16It is wrong to attribute terrorism to poverty. If poverty itself caused terrorism, "sub-Saharan Africa would be the greatest exporter. Fifteen of nineteen September 11 hijackers, moreover, came from oil rich and relatively prosperous Saudi Arabia, while two more were middle class boys from Lebanon and Egypt."17 At the same time, however, the conditions that perpetuate poverty also generate terrorism: "Lack of economic freedom fuels the resentment, desperation, and hopelessness that terrorist organizations utilize to recruit new members and muster support for their activities." 18A ccording to U.S. Trade Representative Robert Zoellick,The offensive against terrorism requires fresh thinking about how to tackle the global challenges of poverty and privation. To be sure, the source of terrorism is not poverty; to believe that is an insult to people all over the world who struggle daily to overcome hardships. Terrorism's roots lie in a deep evil and fanatic ideologies. But there is no doubt that societies that fragment, that are poor, that have no sense of hope, become fertile grounds in which terrorists can burrow. So all of us have a stake in development and democracy.19To be successful in the long run, the war on terrorism must be accompanied by a strategy to extend the fruits of economic development to the regions of the world that harbor terrorism. The Middle East surely ranks at the top of regions of concern: "If the war on terrorism is not to become a long-running clash of civilizations, America must combine military victory over terrorism's sponsors with an effort to bring progress to the Islamic world." 20Extending freedom thus becomes an imperative for long-term success against terrorism. As a result, freedom, progress, prosperity, and security are linked together in the national security strategy, the economic aspect of which has two principal components: trade and aid.

### Growth Good: Turns Russia

#### Turns Russia

Ockham ‘8

(Ockham Research, 2008 “Economic Distress and Geopolitical Risks”, November,¶ http://seekingalpha.com/article/106562-economic-distress-and-geopolitical-risks)¶

Russia, whose economy, stock markets and financial system have literally imploded over the past few months, could become increasingly problematic if faced with a protracted economic downturn. The increasingly authoritarian and aggressive Russian regime is already showing signs of anger projection. Its invasion of Georgia this summer and increasing willingness to confront the West reflect a desire to stoke the pride and anger of its people against foreign powers—particularly the United States. It is no accident that the Russians announced a willingness to deploy tactical missile systems to Kaliningrad the day after Barack Obama’s election in the U.S. This was a clear “shot across the bow” of the new administration and demonstrates Russian willingness to pursue a much more confrontational foreign policy going forward. Furthermore, the collapse in the price of oil augers poorly for Russia’s economy. The Russian budget reputedly needs oil at $70 per barrel or higher in order to be in balance. Russian foreign currency reserves, once huge, have been depleted massively over the past few months by ham-fisted attempts to arrest the slide in both markets and the financial system. Bristling with nuclear weapons and nursing an ego still badly bruised by the collapse of the Soviet Union and loss of superpower status, an impoverished and unstable Russia would be a dangerous thing to behold.

### Growth Good: US Leadership

#### Economic decline turns the signal of US leadership

Tilford 8 — Earl Tilford, military historian and fellow for the Middle East and terrorism with The Center for Vision & Values at Grove City College, served as a military officer and analyst for the Air Force and Army for thirty-two years, served as Director of Research at the U.S. Army’s Strategic Studies Institute, former Professor of History at Grove City College, holds a Ph.D. in History from George Washington University, 2008 (“Critical Mass: Economic Leadership or Dictatorship,” Published by The Center for Vision & Values, October 6th, Available Online at http://www.visionandvalues.org/2008/10/critical-mass-economic-leadership-or-dictatorship/, Accessed 08-23-2011)

Nevertheless, al-Qaeda failed to seriously destabilize the American economic and political systems. The current economic crisis, however, could foster critical mass not only in the American and world economies but also put the world democracies in jeopardy.¶ Some experts maintain that a U.S. government economic relief package might lead to socialism. I am not an economist, so I will let that issue sit. However, as a historian I know what happened when the European and American economies collapsed in the late 1920s and early 1930s. The role of government expanded exponentially in Europe and the United States. The Soviet system, already well entrenched in socialist totalitarianism, saw Stalin tighten his grip with the doctrine of "socialism in one country," which allowed him to dispense with political opposition real and imagined. German economic collapse contributed to the Nazi rise to power in 1933. The alternatives in the Spanish civil war were between a fascist dictatorship and a communist dictatorship. Dictatorships also proliferated across Eastern Europe.¶ In the United States, the Franklin Roosevelt administration vastly expanded the role and power of government. In Asia, Japanese militarists gained control of the political process and then fed Japan's burgeoning industrial age economy with imperialist lunges into China and Korea; the first steps toward the greatest conflagration in the history of mankind ... so far ... World War II ultimately resulted. That's what happened the last time the world came to a situation resembling critical mass. Scores upon scores of millions of people died.¶ Could it happen again? Bourgeois democracy requires a vibrant capitalist system. Without it, the role of the individual shrinks as government expands. At the very least, the dimensions of the U.S. government economic intervention will foster a growth in bureaucracy to administer the multi-faceted programs necessary for implementation. Bureaucracies, once established, inevitably become self-serving and self-perpetuating. Will this lead to "socialism" as some conservative economic prognosticators suggest? Perhaps. But so is the possibility of dictatorship. If the American economy collapses, especially in wartime, there remains that possibility. And if that happens the American democratic era may be over. If the world economies collapse, totalitarianism will almost certainly return to Russia, which already is well along that path in any event. Fragile democracies in South America and Eastern Europe could crumble.¶ A global economic collapse will also increase the chance of global conflict. As economic systems shut down, so will the distribution systems for resources like petroleum and food. It is certainly within the realm of possibility that nations perceiving themselves in peril will, if they have the military capability, use force, just as Japan and Nazi Germany did in the mid-to-late 1930s. Every nation in the world needs access to food and water. Industrial nations -- the world powers of North America, Europe, and Asia -- need access to energy. When the world economy runs smoothly, reciprocal trade meets these needs. If the world economy collapses, the use of military force becomes a more likely alternative. And given the increasingly rapid rate at which world affairs move; the world could devolve to that point very quickly.

#### Econ underpins every part of US power

Morgan 12 Iwan, London School of Economics, Professor of United States Studies Institute of the Americas, University College London, “The United States after unipolarity: the American economy and America’s global Power,”

America’s economic strength has long underwritten its leading role in world affairs. The buoyant tax revenues generated by economic growth fund its massive military spending, the foundation of its global hard power. America’s economic success is also fundamental to its soft power and the promotion of its free-market values in the international economy. Finally, prosperity generally makes the American public more willing to support an expansive foreign policy on the world stage, whereas economic problems tend to engender popular introspection. Ronald Reagan understood that a healthy economy was a prerequisite for American power when he became president amid conditions of runaway inflation and recession. As he put it in his memoirs, ‘In 1981, no problem the country faced was more serious than the economic crisis – not even the need to modernise our armed forces – because without a recovery, we couldn’t afford to do the things necessary to make the country strong again or make a serious effort to reduce the dangers of nuclear war. Nor could America regain confidence in itself and stand tall once again. Nothing was possible unless we made the economy sound again’.

### AT//Economic / Trade Collapse Doesn’t Cause War

#### Even if the decline itself does not immediately cause war, it justifies an increase in military spending which causes miscalculation and conflict – empirically proven by WWII

#### Diversionary conflict theory proves

Friedberg 2009

(Aaron Friedberg and Gabriel Schoenfeld, Professor of politics and international relations at Princeton University's Woodrow Wilson School, Visiting scholar at the Witherspoon Institute in Princeton, Senior editor of Commentary, *The Dangers of a Diminished America*, Accessed Online at the WSJ)

The stabilizing effects of our presence in Asia, our continuing commitment to Europe, and our position as defender of last resort for Middle East energy sources and supply lines could all be placed at risk. In such a scenario there are shades of the 1930s, when global trade and finance ground nearly to a halt, the peaceful democracies failed to cooperate, and aggressive powers led by the remorseless fanatics who rose up on the crest of economic disaster exploited their divisions. Today we run the risk that rogue states may choose to become ever more reckless with their nuclear toys, just at our moment of maximum vulnerability. The aftershocks of the financial crisis will almost certainly rock our principal strategic competitors even harder than they will rock us. The dramatic free fall of the Russian stock market has demonstrated the fragility of a state whose economic performance hinges on high oil prices, now driven down by the global slowdown. China is perhaps even more fragile, its economic growth depending heavily on foreign investment and access to foreign markets. Both will now be constricted, inflicting economic pain and perhaps even sparking unrest in a country where political legitimacy rests on progress in the long march to prosperity. None of this is good news if the authoritarian leaders of these countries seek to divert attention from internal travails with external adventures. As for our democratic friends, the present crisis comes when many European nations are struggling to deal with decades of anemic growth, sclerotic governance and an impending demographic crisis. Despite its past dynamism, Japan faces similar challenges. India is still in the early stages of its emergence as a world economic and geopolitical power.

### AT//Impact Defense

#### Overcomes barriers to war

Gee and Milner ‘9

[Marcus and Brian. “US Must Resist Instinct to Circle the Wagons” The Globe and Mail, 2/2/9 ln]

Back in 1930, countries responded quickly to the new U.S. tariff wall. Even before Smoot-Hawley became law, imposing high tariffs on thousands of imported products, Canada responded with duties of its own on a range of important U.S. exports. Two years later, the Ottawa agreements brought Canada and other parts of the old British empire together in protective trade pacts, at the expense of the United States.¶ Most experts don't see a return to those combative days, when competing tariffs helped cause a two-thirds fall in global trade volumes. All-out trade wars are less likely today because the World Trade Organization and nation-to-nation trade deals such as the North American free-trade agreement provide legal channels for working through trade disputes.¶ Instead, the main worry is about a kind of creeping protectionism, in which countries subtly limit competition with subsidies, bailouts and other measures to protect domestic industries. Those measures distort trade and discriminate against foreign rivals, “but in the real world, it's hard to imagine things being played out otherwise,” said Roy Culpeper, president and chief executive officer of the North-South Institute in Ottawa. “Governments are going to look after their own first with the scarce dollars they have going into deficit situations, and think about trade implications, if at all, only after that.”

### AT//WWII Example / Ferguson 2006

#### The World War Two example goes our direction – most qualified evidence confirms that the Great Depression *caused* the rise of European fascism

Ockham ‘8

[Ockham Research. Ockham Research is an independent equity research provider based in Atlanta, Georgia. Ockham covers an expansive universe of stocks mostly in the US, but also from a variety of exchanges throughout the world. “Economic Distress and Geopolitical Risks” Ockham Research, November 2008. <http://seekingalpha.com/article/106562-economic-distress-and-geopolitical-risks> ]

The economic turmoil roiling world markets right now brings with it plenty of pain. Jobs are being lost, people’s savings decimated, retirement plans/goals thrown out the window, etc. Hard times bring with them harsh consequences. However, it is perhaps useful to be mindful of the geopolitical risks that accompany economic dislocation. Many analysts are eager to compare the difficulties now confronting the global economic system with those of the Great Depression. While I do not believe that the world is facing a second Great Depression, it might be worthwhile to recall from history that the Great Depression spawned geopolitical turmoil that lead to the Second World War. The incoming Obama administration—and Democratic members of Congress who talk of implementing massive defense cutbacks—may want to remember the lessons of the past as they stand on the threshold of power.¶ The hardship and turmoil which impacted the world during the Great Depression provided fertile ground for the rise of fascist, expansionist regimes in Germany, Italy and Japan. Hard times also precluded the Western democracies from a more muscular response in the face of growing belligerence from these countries. The United States largely turned inward during the difficult years of the 1930s. The end result was a global war of a size and scale never seen by man either before or since. Economic hardship is distracting. It can cause nations to turn their focus inward with little or no regard for rising global threats that inevitably build in tumultuous times. Authoritarian regimes invariably look for scapegoats to blame for the hardship affecting their populace. This enables them to project the anger of their citizenry away from the regime itself and onto another race, country, ideology, etc.¶ Looking at the world today, one can certainly envision numerous potential flashpoints that could become problematic in a protracted economic downturn. Pakistan, already a hotbed of Islamic extremism and armed with atomic weapons, has been particularly hard hit by the global economic crisis. An increasingly impoverished Pakistan will be harder and harder for its new and shaky democratically-elected government to control. Should Pakistan’s economic troubles cause its political situation—always chaotic—to spin out of control, this would be a major setback in the global war on terror. ¶ Russia, whose economy, stock markets and financial system have literally imploded over the past few months, could become increasingly problematic if faced with a protracted economic downturn. The increasingly authoritarian and aggressive Russian regime is already showing signs of anger projection. Its invasion of Georgia this summer and increasing willingness to confront the West reflect a desire to stoke the pride and anger of its people against foreign powers—particularly the United States. It is no accident that the Russians announced a willingness to deploy tactical missile systems to Kaliningrad the day after Barack Obama’s election in the U.S. This was a clear “shot across the bow” of the new administration and demonstrates Russian willingness to pursue a much more confrontational foreign policy going forward. Furthermore, the collapse in the price of oil augers poorly for Russia’s economy. The Russian budget reputedly needs oil at $70 per barrel or higher in order to be in balance. Russian foreign currency reserves, once huge, have been depleted massively over the past few months by ham-fisted attempts to arrest the slide in both markets and the financial system. Bristling with nuclear weapons and nursing an ego still badly bruised by the collapse of the Soviet Union and loss of superpower status, an impoverished and unstable Russia would be a dangerous thing to behold.¶ China too is threatened by the global economic downturn. There is no doubt that China has emerged during the past decade as a major economic power. Parts of the country have been transformed by its meteoric growth. However, in truth, only about a quarter of the nation’s billion plus inhabitants—those living in the thriving cities on the coast and in Beijing—have truly felt the impact of the economic boom. Many of these people have now seen a brutal bear market and are adjusting to economic loss and diminished future prospects. However, the vast majority of China’s population did not benefit from the economic boom and could become increasingly restive in an economic slowdown. Enough economic hardship could conceivably threaten the stability of the regime and would more than likely make China more bellicose and unpredictable in its behavior, with dangerous consequences for the U.S. and the world.¶ Economic hardship invariably has consequences that can dwarf the original impact of those troubles. With the U.S. already at war and facing an increasingly troubled world, it is probably not a good time to make large reductions to the defense budget. With the U.S. government carrying massively greater amounts of debt now as a result of the financial carnage of the past few months, there will be increased pressure to wring savings out of almost every element of government. However, given past experience in tough economic times, it would be wise for our new government to understand the dire need to maintain a strong national defense.

### AT//History Disproves

#### Empirics are a negative warrant – every modern conflict is explained by economic contraction

Yulu ‘3

[Economic Analyst for the People’s Daily (China). “Economic Recession: The Blasting Fuse of War”. People’s Daily, 7/25/3 Lexis]

If one examines the wars broken out ever since more than a century ago, one will discover an interesting phenomenon, that is, each fairly big economic recession (or economic crisis) was inevitably followed by the eruption of a war. This is true with World I, World War II, the Gulf War, as well as the Iraq war. It can be said that economic downturn is the blasting fuse of modern war.

### AT//Won’t Escalate

#### Trade wars escalate – history on our side

Miller and Elwood ‘88

[Vince and James. Founder of the International Society for Individual Liberty and ISIL VP. “Free Trade or Protectionism?” [www.isil.org](http://www.isil.org), 1988]

In Trade Wars: Both Sides Lose When the government of Country "A" puts up trade barriers against the goods of Country "B", the government of Country "B" will naturally retaliate by erecting trade barriers against the goods of Country "A". The result? A trade war in which both sides lose. But all too often a depressed economy is not the only negative outcome of a trade war . . . When Goods Don't Cross Borders, Armies Often Do      History is not lacking in examples of cold trade wars escalating into hot shooting wars: Europe suffered from almost non-stop wars during the 17th and 18th centuries, when restrictive trade policy (mercantilism) was the rule; rival governments fought each other to expand their empires and to exploit captive markets. British tariffs provoked the American colonists to revolution, and later the Northern-dominated US government imposed restrictions on Southern cotton exports – a major factor leading to the American Civil War. In the late 19th Century, after a half century of general free trade (which brought a half-century of peace), short-sighted politicians throughout Europe again began erecting trade barriers. Hostilities built up until they eventually exploded into World War I. In 1930, facing only a mild recession, US President Hoover ignored warning pleas in a petition by 1028 prominent economists and signed the notorious Smoot-Hawley Act, which raised some tariffs to 100% levels. Within a year, over 25 other governments had retaliated by passing similar laws. The result? World trade came to a grinding halt, and the entire world was plunged into the "Great Depression" for the rest of the decade. The depression in turn led to World War II. The #1 Danger To World Peace      The world enjoyed its greatest economic growth during the relatively free trade period of 1945-1970, a period that also saw no major wars. Yet we again see trade barriers being raised around the world by short-sighted politicians. Will the world again end up in a shooting war as a result of these economically-deranged policies? Can we afford to allow this to happen in the nuclear age? "What generates war is the economic philosophy of nationalism: embargoes, trade and foreign exchange controls, monetary devaluation, etc. The philosophy of protectionism is a philosophy of war."

## Aff

### Won’t Pass

#### Won’t pass – no incentive for Obama or other members of Congress to back the deal

WP 6-20

[The Washington Post. “Commuter Digest: Bipartisan Senate proposal seeks 12-cent increase in federal gas tax” 6/20/14 <http://www.washingtonpost.com/local/trafficandcommuting/commuter-digest-bipartisan-senate-proposal-seeks-12-cent-increase-in-federal-gas-tax/2014/06/19/8d93282e-f648-11e3-a606-946fd632f9f1_story.html>]

A bipartisan Senate proposal emerged Wednesday to rescue beleaguered federal transportation funding by raising the tax on gasoline by 12 cents a gallon.¶ The proposal to increase the 18.4-cent federal tax for the first time since 1993 came from Sens. Chris Murphy (D-Conn.) and Bob Corker (R-Tenn.) and won the quick endorsement of an array of advocates ranging from road builders to AAA.¶ In addition to increasing the tax by six cents in each of the next two years, the senators want the rate indexed to inflation. Failure to keep pace with inflation over the past 20 years, along with steadily increasing fuel economy, has caused the Federal Highway Trust Fund that receives the money to sink to a dangerous level.¶ The Transportation Department has projected that by midsummer, the fund will no longer be able to meet its obligations.¶ The Obama administration, citing a fragile recovery in the nation’s economy, has been reluctant to endorse a gas-tax increase. Members of Congress facing midterm elections have preferred to look to other sources.

#### Won’t pass – none of the proposed solutions can make it through

Donlan 6-21

[Staffer for Barrons (The Wall Street Journal.) “Magical Budgeting” 6/21/14 *Barrons*, ln]

With a fine grasp of the obvious, Senators Bob Corker (R., Tenn.) and Chris Murphy (D., Conn.) have proposed bridging the funding gap by raising the federal gas tax. At 18.4 cents per gallon, it hasn't been raised since 1993. The Highway Trust Fund provides nearly half of all the money spent on highway projects, but each dollar of revenue has lost more than a third of its purchasing power since then, because the tax is not adjusted for inflation. Transportation spending, however, has risen by more than a third.¶ The gas tax also isn't adjusted for the higher price of gas. (In 1993, the average price of a gallon of regular gas was $1.11.) The only source of increased revenue has been the rising consumption of gasoline, and that stopped increasing several years ago.¶ Corker and Murphy suggest a 12-cent hike, phased in over two years and adjusted for inflation thereafter. Every penny added to the federal per-gallon rate will raise about $1.3 billion, so the Corker-Murphy plan would restore the solvency of the Highway Trust Fund at the current spending rate, without providing a gusher of new money for the states.¶ But the two senators are making little headway against the prevailing philosophies in the capital city. Most Republicans don't want any federal tax increase; most Democrats want more taxes from corporations, not consumers.

#### Cantor has every Republican on notice. No compromise on HTF

Malouff 6-11

[Daniel. Dan Malouff is a professional transportation planner for the Arlington County Department of Transportation. He has a degree in Urban Planning from the University of Colorado, and lives a car-free lifestyle in Northwest Washington. His posts are his own opinions and do not represent the views of his employer in any way. He runs the blog BeyondDC and also contributes to the Washington Post Local Opinions blog. “Will Cantor's loss push congressional Republicans to balk on transportation compromise?” 6/11/14 <http://greatergreaterwashington.org/post/23200/will-cantors-loss-push-congressional-republicans-to-balk-on-transportation-compromise/> ]

Last night, US House majority leader Eric Cantor lost the Republican primary to a tea party challenger who painted Cantor as too willing to compromise with Democrats. Cantor's loss makes this summer's looming congressional fight over transportation funding all the more unpredictable.¶ MAP-21, the federal transportation funding bill, expires in October. But the US Department of Transportation (USDOT) will begin running out of money in August. Without a bipartisan bill to add new money, federal transportation funding will trickle to a halt.¶ Transportation wasn't a major issue in Cantor's election, but immigration reform was. Cantor mostly opposed immigration reform, but he briefly contemplated compromise, giving his more conservative opponent David Brat an opening to attack.¶ Some pundits fear that will push every other House Republican away from compromise in general, and grind whatever progress Congress was making on anything to a halt.¶ From an immigration perspective that probably makes little difference; House Republicans were not going to compromise anyway. But it could make a huge difference for transportation.¶ Transportation funding was a non-partisan issue in the 20th Century. Every six years Congress would pass a transportation bill with broad support from both parties. But in recent years, amid declining gas tax revenue and increasing need for supplemental funding, transportation has become a partisan spark.¶ Congress seemed primed to act, but now it's an open question.¶ Up until Cantor's defeat, the general assumption in the transportation world has been that Congress would do something this summer. "Something" might mean a long term solution like a new bill and new taxes. Or it might mean a band-aid, like an extension of MAP-21 with an infusion of federal general fund dollars. Either way, Congress appeared to be making some progress.¶ But now? House Republicans might very well cease all legislative activity, and hope to ride out the rest of election season without upsetting their conservative base.¶ Polls show that raising money for transportation is popular, and voters rarely punish officials for doing so. But that may not matter to Republicans concerned about attacks from the extreme right.¶ While in Congress, Cantor fought against progressive transportation funding. But in this case his personal vote, and even his leadership on the specifics, might be less important than the simple fact that he was probably willing to advance a bill.¶ On the other hand, maybe the Republican establishment will take this as a call to arms, and moderate legislators will become more powerful. But that seems unlikely the day after the biggest tea party victory of the season.

### Hurts Growth

#### Raising the gas tax would devastate growth and doesn’t solve TI

NRO 6-20

[The National Review Online. “Don’t Raise the Gas Tax” 6/20/14 <http://www.nationalreview.com/article/380799/dont-raise-gas-tax-editors> //GBS-JV]

The federal Highway Trust Fund, historically, is a fund that the government can’t be trusted to spend on federal highways. Unfortunately, Senator Bob Corker (R., Tenn.) is proposing to put more money in it by raising the federal gasoline tax, a proposal he’s concocted with Senator Chris Murphy (D., Conn.).¶ Corker’s idea is bad policy and bad politics. The politics: Gas prices are rising rapidly, taxes on fuel are regressive, and Americans, rightly, really don’t like when you raise any kind of tax at all.¶ There’s no pressing policy reason to increase the tax. The trust fund has plenty of money to fund highway priorities that the federal government needs to address — especially if federal money were spent more efficiently. But the fund is running dry because, instead, Congress has repeatedly lavished spending on non-highway priorities and on intrastate issues. Drivers across America shouldn’t have to pay for projects that House appropriators like, but that’s the way the trust fund works now. Corker is proposing to let this continue.¶ Corker is bound by a pledge he’s made to voters not to raise taxes, but his plan has a way around it: Package the gas-tax hike with renewing a bunch of tax breaks called “extenders” that expired at the beginning of this year. This more than adds up as a fiscal matter, but not an economic or political one. The result would be to cut taxes on particular corporations and for particular kinds of consumption and investment (producing wind energy, for instance) while raising taxes on almost all consumers. Moreover, it’s expected that most of these tax extenders will be renewed at some point anyway, as they are every year, so Corker can’t really claim that they’ll make up for the new tax increase he’s proposing.¶ We have a better idea: Cut the gas tax and let states pay for the highways within their borders. Senator Mike Lee (R., Utah) and Representative Tom Graves (R., Ga.) have proposed a bill that would do essentially this, and it makes a number of other important improvements to highway policies.¶ Some American infrastructure needs improvement, and some taxpayer-funded projects eventually pay for themselves, but states are in a far better position to decide which projects are worth financing. American infrastructure is also so expensive that many projects that might be economically sensible are not. This is especially true of federal projects, and Congress should work on that — the requirement that all federal contractors pay an excessive “prevailing wage” is one problem — before it digs its hand deeper into the taxpayer’s pocket.

#### Doesn’t solve growth and trades off with more effective solutions

Goff 6-22

[Emily. Emily Goff advances conservative solutions to economic challenges by analyzing federal budget, transportation and agriculture policy issues as research associate in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. “Hiking the Federal Gas Tax is a Mistake. Here’s Why.” *The Daily Signal*, 6/22/14 <http://dailysignal.com/2014/06/22/federal-government-makes-traffic-problems-worse/>]

Much clamoring for more federal transportation spending, and fuel tax hikes to pay for it, has come out of Washington recently. The Highway Trust Fund faces a $15 billion gap in 2015 between projected spending and the money it will collect in fuel taxes and fees.¶ Trouble is, our Washington-centric approach isn’t solving our traffic and mobility issues. It’s getting us nowhere but stuck in traffic — in some cities, for the equivalent of a full work week or more each year.¶ The main culprits? Spending priorities are determined more by politicians appeasing special interests than local needs or consumer choices. And the federal regulatory burden delays projects and smothers state and private-sector innovation.¶ When car and truck drivers pay the 18.4 cents per gallon federal gas tax (24.4 cents per gallon for diesel) at the pump, they expect better roads and less traffic congestion in return.¶ Instead, Washington diverts more than 25% of that money to subways, streetcars, buses, bicycle and nature paths, and landscaping, at the expense of road and bridge projects.¶ A federal gas tax hike presumably would continue this unfair trend.¶ The beneficiaries of these local activities take from, but do not contribute to, the Highway Trust Fund. Better for New York and New Jersey to fund their subways, Oregon its bike paths and Maryland its trails.¶ Funds reserved for road and bridge projects go through the regulatory wringer. The flawed Davis-Bacon Act hikes federally funded construction projects by 10%. The average federally mandated environmental review for a highway project takes more than eight years, according to the non-partisan group Common Good. Translation: States get less for their money.¶ Washington is an unnecessary middleman in transportation. Instead of raising taxes, it should repeal oppressive regulations and remove barriers to let states fund their infrastructure. Better yet, it should hand over transportation funding decisions to the states.